

2008 ACTION PLAN

FOR CDBG, HOME, HOPWA, AND ESG

MASSACHUSETTS

February 2008



Commonwealth of Massachusetts

Deval L. Patrick, Governor

Timothy P. Murray, Lt. Governor

Department of Housing and Community Development

Tina Brooks, Undersecretary

Table of Contents

Overview	2
2008 Objectives and Strategies	6
Financial Resources Available for FY 2008	10
Consolidated Plan Covered Programs	12
CDBG	12
HOME	14
ESG	15
HOPWA	16
Outcome Performance Measurement System	16
Monitoring	18
Additional 2008 Resources, Initiatives and Expected Level of Activity	20
Institutional Structure and Organization	34
Consultation/Citizen Participation	36
 List of Tables	
Table 1: FY 2008 Consolidated Plan Funding	3
Table 2: Five Year Objectives and Funding Levels for all Covered Programs	5
Table 3: Summary of FY 2008 DHCD Funding From all State and Federal Sources	11
Table 4: Summary of Projected FY 2008 Housing and Community Development Resources and Activities	25

Appendices

Appendix A: Citizen Participation Process

Appendix B: Listing of Shelters, Transitional Housing and Permanent Supportive Housing

Appendix C: State and Federal Resources

Appendix D: Specific Program Requirements (including the CDBG Annual Plan)

Appendix E: Certifications

Appendix F: Methodology

2008 Action Plan

The 2005 – 2009 Consolidated Plan (“the five year plan”), submitted to U.S. Department of Housing and Urban Development (HUD) in April 2005, identifies the housing and community development needs of Massachusetts and provides the framework for how Massachusetts intends to address and prioritize those needs over the next five years (2005-2009). The five year plan and the 2008 Action Plan pertain to the activities of the following programs:

- Community Development Block Grant Program (CDBG)
- HOME Investment Partnerships Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA), and;
- Emergency Shelter Grant (ESG)

The 2008 Action Plan is the one-year implementation plan with specific activities and goals for how the programs listed above will address the prioritized needs identified in the five year plan. It partially fulfills the requirements of Section 91.320 of the Consolidated Plan regulations. *The bulk of the requirements of Section 91.320, however – available resources and program specific requirements – are found in Appendix C (Resources) and Appendix D (Program specific requirements, including the Massachusetts FY 2008 CDBG Action Plan in its entirety).* State required certifications are located in **Appendix E**, and a description of data sources and methodology are included in **Appendix F**.

Overview

Guiding Principles and Objectives

The 2008 Action Plan is based on the housing and community development goals set forth in the Strategic Plan section of the five year plan:

1. Develop and maintain an adequate supply of safe, decent housing that is affordable and accessible to residents with a range of income levels and household needs.
2. Expand sustainable homeownership opportunities for low, moderate and middle income families.
3. Reduce chronic and family homelessness by providing a viable continuum of care.
4. Ensure that Massachusetts residents with long-term support needs have access to appropriate services and accessible, community housing options that maximize consumer choice.
5. Enhance the prosperity and economic well-being of all regions of the state, ensuring that economic growth is compatible with community and environment.
6. Ensure full and fair access to housing for all residents

Similarly, the 2008 Action Plan reflects the five fundamental principles articulated in the five year plan:

- Promote fair housing
- Promote sustainable development
- Enhance the capacity of community based organizations and local government

- Remove barriers to affordable housing production
- Improve the outcomes of government action

FY 2008 Consolidated Plan Funding

Table 1 shows the amount of funding the Commonwealth expects to receive for federal fiscal year 2008 from the U.S. Department of Housing and Urban Development.

Table 1: FY 2008 Consolidated Plan Federal Funding		
Program	Lead Agency	Allocation
CDBG	DHCD	\$33,553,851
HOME (including FY 2008 ADDI)	DHCD	\$13,586,515
ESG	DTA (within EOHHS)	\$2,562,082
HOPWA	DPH (within EOHHS)	\$173,000
TOTAL		\$49,880,274
Source: HUD		

The above sums are estimates. In the event that the HUD allocation is different from the amounts noted above, DHCD will modify its allocation plan and provide public notice of any changes. The use of funds from these four sources contributes to a coordinated and comprehensive state response to the listed goals.

Summary of One Year Action Plan and Five Year Goals for Consolidated Plan

The state's one-year Action Plan and Five-Year Goals are presented in **Table 2**. It includes only the programs that are funded by the four covered HUD grants and presents the number of households or individuals, or other measurable variables, to be assisted with the amount expected to be available during FY 2008. An estimate of the level of assistance projected for the full five years covered by the Consolidated Plan, assuming level funding, is also included. (Resources are listed more than once if they are being used to meet more than one objective, e.g. CDBG). As mentioned elsewhere in this plan, the Massachusetts Department of Housing and Community Development welcomes the opportunity every five years to re-examine its overall housing and community development goals and objectives, in light of changing needs, resources and priorities. The FY 2008 Action Plan Citizen Participation process provides additional opportunity for stakeholder feedback and administrative improvements.

The Massachusetts Context

Massachusetts has long suffered from a lack of affordable housing for a variety of reasons. The state's strong tradition of local control has resulted in uneven and confusing zoning laws that often favor large lots and limited housing production. The resulting lack of housing supply, and particularly of more dense and multifamily housing, has driven up home prices in Massachusetts. The Boston area's attraction to high-end industries such as biotechnology, energy, and health care, as well as its general desirability as a place to live, has contributed to the rise in home prices around Boston. More distant areas of the state, such as the Springfield area and the South Coast region, have more affordable homes, but fewer employment opportunities. High home prices and a high cost of living have contributed to a decrease in Massachusetts' population, so the state faces the twin challenges of creating desperately needed affordable housing for low-income families and individuals and creating more moderately-priced housing for a middle class that is being priced out of many regions of the state. Responding to these two challenges is central to the work of DHCD and the state's quasi-public housing agencies.

Much of the state's subsidized inventory of housing that serves low income households is comprised of state or federally assisted public housing, or privately owned subsidized units built between 1965 and 1980 with federal financial support. With few exceptions, the public resources available today do not provide the deep subsidies required to produce new units at prices low income households can afford. A combination of grants and shallow subsidies is usually required. The development and construction costs in Massachusetts, together with the transaction costs associated with financing affordable housing through assembling multiple subsidy programs, drive up the per unit development cost.

Even with such challenges, however, a substantial number of new units have begun construction during the past several years. Between 2002 and 2005, housing starts in Massachusetts steadily increased, although they have since gone down, reflecting national economic and housing trends. A total of 51 communities have surpassed the state's goal that all communities maintain 10 percent of their housing stock for occupancy by low- and moderate-income households. The Governor and Legislature have created new financial tools and incentives; refunded earlier commitments; reorganized state government, elevating issues of housing and homelessness and planning, zoning, and land use regulation to new prominence; and exercised leadership in the effort to maintain federal support for rental assistance. The state's capable, established nonprofit and for-profit affordable housing developers continue to produce and preserve affordable units.

In addition to the traditional tools and resources with which the state has worked so effectively over the years – tax credits, grants, project-based rent subsidies, favorable financing provided by one of the state's quasi-public entities, new tools and resources (market and zoning incentives, shallow subsidies) are now being employed by municipalities, conventional homebuilders and apartment developers. Much of the new production has been permitted under M.G.L. Chapter 40B – also known as the Comprehensive Permit Law.

The state has revised its Smart Growth/Smart Energy Principles, and these principles are taken into account in funding decisions for housing and community development programs, ensuring that all housing and community development activity will be done in a sustainable, energy-conscious manner. Furthermore, implementation of Chapters 40R and 40S is well under way. These legislative initiatives create opportunities for communities to adopt zoning overlay districts in smart growth locations to increase housing production, and include financial incentives for that housing production as well offsetting expenses for increased school enrollment attributable to the development. To date, 16 communities have approved overlay districts pursuant to Chapter 40R, with 5,813 potential new housing units in those districts. The Transit Oriented Development Infrastructure and Housing Support Program provides financial assistance for pedestrian improvements, bicycle facilities, housing projects, and parking facilities within 1/4 mile of transit stations. The Commercial Area Transit Node Housing Program (CATNHP) provides funding to housing projects of 25 units or less within neighborhood commercial areas and in proximity to public transit nodes. In accordance with the enabling statute, not less than 51 percent of the units assisted by the program must benefit persons earning not more than 80 percent of the area median income.

The Community Based Housing Program provides \$25 million in deferred payment loans to non-profit developers for the development and redevelopment of integrated housing for people with disabilities who are in institutions or nursing facilities or at risk of institutionalization.

MassDocs represents the Commonwealth's continuing efforts to increase the supply of affordable housing in Massachusetts. By creating one set of loan documents, MassDocs simplifies the closing process, saving time and money. Additionally, the Commonwealth's subsidizing agencies collaborated with Fannie Mae to create a universal deed rider which would allow affordable use restrictions to survive foreclosure, thereby preserving affordable homeownership opportunities.

Table 2: Five Year Objectives and FY 2008 Funding Levels for All Covered Programs

		FY 2008			FY 2005-2009	
#	Objective/Consolidated Plan Resources	Funding Level (Expected)	Activity Level (Estimate)	Target Population	Funding Level	Activity Level
<i>Develop and maintain an adequate supply of safe, decent housing that is affordable and accessible to residents with a range of income levels and household needs.</i>						
1						
	CDBG - CDF I and II	\$6,900,279	440	Min 51% Low Income		
	CDBG - Mini Entitlement	\$1,936,000		Min 51% Low Income		
	CDBG - HDSP	\$1,700,000	12	Min 51% Low Income	\$25,000,000	500
	HOME - MF Rental Housing	\$9,100,000	232	100% <60%, 20% VLI	\$40,000,000	1,125
	HOME - MF Rental Housing: Suburban Rental Pilot Project	N/A	N/A	100% <60%, 20% VLI	\$10,000,000	300
<i>2 Expand sustainable homeownership opportunities for low, moderate and middle income families.</i>						
	HOME - Homebuyer Assistance: Rehab/New Construction for FTHB	\$2,500,000	50	100% Low Income	\$21,500,000	390
	HOME - Homebuyer Assistance: Down Payment & Closing Costs	\$520,000	64	100% Low Income	\$5,000,000	1,000
	HOME - American Dream Downpayment Initiative	\$132,403	16	100% Low Income	\$3,405,000	350
<i>3 Reduce chronic and family homelessness by providing a viable continuum of care.</i>						
	ESG (Balance of State)	\$2,500,000	6,000	Homeless Priority Pop.	\$12,674,255	12,500
	HUD Continuum of Care Balance of State Continuum of Care	\$8,200,000	3,000	Homeless Priority Pop.	\$41 million	12,000
	HOPWA (Counted Under #4)					
<i>4 Ensure access to appropriate services and accessible community housing options that maximize consumer choice.</i>						
	HOPWA (FY 2008 funding level includes funding carried forward)	\$173,000	n/a	100% Low Income, 50% ELI	\$800,000	n/a
<i>5 Enhance the prosperity and economic well-being of all regions compatible with community and environment.</i>						
	CDBG - CDF I and II	\$9,528,957	n/a	Min 51% Low Income	\$73,605,815	n/a
	CDBG - Mini Entitlement	\$6,864,000	n/a	Min 51% Low Income	\$45,000,000	n/a
	CDBG - Economic Development Fund	\$400,000	n/a	Min 51% Low Income	\$12,000,000	n/a
<i>6 Ensure full and fair access to housing for all residents</i>						
<i>This objective is embedded within all of the state's policies and initiatives.</i>						

2008 Objectives and Strategies

The strategies in support of the state's housing and community development objectives include:

Affordable Housing Objectives

Objective #1: Develop and maintain an adequate supply of safe, decent housing that is affordable and accessible to residents with a range of income levels and household needs

Strategies:

- Preserve the physical and financial viability of existing affordable housing
- Maintain a system of public housing and rental assistance that serves those with extremely low incomes, including those with disabilities, the homeless and those at risk of homelessness
- Increase the supply of housing across a range of incomes
- Aggressively implement the Massachusetts Lead Paint Law, targeting high risk communities
- Provide technical assistance and incentives to build and expand the capacity of municipalities and developers, particularly non-profit developers, to increase and expand affordable housing options
- Balance the housing needs of the Commonwealth by encouraging coordination of investment with local and regional needs to promote diversity and housing choice

Objective #2: Expand sustainable homeownership opportunities for low, moderate and middle income families

Strategies:

- Provide homebuyer counseling and education
- Provide down payment assistance and affordable mortgage programs
- Purchase (and rehabilitate) of existing units for resale to low and moderate income homebuyers
- Increase the supply of housing affordable to a range of incomes
- Provide technical assistance and incentives to build and expand the capacity of municipalities and developers, particularly non-profit developers, to increase and expand affordable housing options
- Assist existing low and moderate income homeowners to make home repairs and/or modifications

Homelessness

Objective #3: Reduce chronic and family homelessness by providing a viable continuum of care, with a long-term goal of ending homelessness.

Strategies:

- Prevent homelessness through implementation of the accepted recommendations of the Plan to End Homelessness, developed by the Commission to End Homelessness, working with the Interagency Council on Homelessness and Housing.
- Increase the supply of permanent housing via vouchers and access to existing and new units;
- Develop a range of housing options and services for homeless families and individuals
- *Prioritize* housing first models
- Develop uniform assessment processes to determine those at risk of homelessness and match services to the level of need for support; one size service provision does not fit all
- Continue to provide emergency shelters (as an option of last resort, for true emergencies only).
- Rapidly re-house those in emergency shelter, including chronically homeless people transitioning them into permanent supportive housing as quickly as possible and forgoing the time consuming step by step process of "housing readiness"
- Reconfigure and reposition existing beds towards transitional (e.g., step down, etc) and permanent housing options especially for recently released inmates from correctional facilities and those in need of substance abuse treatment.
- Improve access/coordination across mainstream services and benefit sources
- Preserve existing affordable housing (both publicly assisted and private).
- Maintain a system of public housing and rental assistance

Special Needs

Objective #4: Ensure that Massachusetts residents with long-term support needs have access to appropriate services and accessible, community housing options

Strategies:

- Encourage community-based, supportive living options for the disabled
- Provide a range of housing options and services for persons with special needs including physical disabilities
- Preserve existing affordable housing (both publicly assisted and private).
- Maintain a system of public housing and rental assistance

- Increase the supply of housing

Non-housing Community Development

Objective #5: Enhance the prosperity and economic competitiveness of all regions of the state, ensuring that economic growth is compatible with community and environment.

Strategies:

- Support municipalities with planning and technical assistance
- Assist communities with public facilities and infrastructure improvement
- Support local business development and retention strategies
- Assist low- and moderate-income individuals and communities through individual and institutional development

Fair Housing

Objective #6: Ensure full and fair access to housing for all residents

This objective is embedded into all of the state's policies and initiatives, and shall be guided by the Fair Housing Mission Statement and Principles outlined as follows

Fair Housing Mission Statement and Principles

The mission of DHCD through its programs and partnerships is to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, age, ancestry, familial status, veteran status, or physical or mental impairment.

It shall be our objective to ensure that new and ongoing programs and policies affirmatively advance fair housing, promote equity, and maximize choice. In order to achieve our objective, we shall be guided by the following principles:

1. **Encourage Equity.** Support public and private housing and community investment proposals that promote equality and opportunity for all residents of the Commonwealth. Increase diversity and bridge differences among residents regardless of race, disability, social, economic, educational, or cultural background, and provide integrated social, educational, and recreational experiences.
2. **Be Affirmative.** Direct resources to promote the goals of fair housing. Educate all housing partners of their responsibilities under the law and how to meet this important state and federal mandate.
3. **Promote Housing Choice.** Create quality affordable housing opportunities that are geographically and architecturally accessible to all residents of the commonwealth. Establish policies and mechanisms to ensure fair housing practices in all aspects of marketing.
4. **Enhance Mobility.** Enable all residents to make informed choices about the range of communities in which to live. Target high-poverty areas and provide information and assistance to residents with respect to availability of affordable homeownership and rental opportunities throughout Massachusetts and how to access them.

5. **Promote Greater Opportunity.** Utilize resources to stimulate private investment that will create diverse communities that are positive, desirable destinations. Foster neighborhoods that will improve the quality of life for existing residents. Make each community a place where any resident could choose to live, regardless of income.
6. **Reduce Concentrations of Poverty.** Ensure an equitable geographic distribution of housing and community development resources. Coordinate allocation of housing resources with employment opportunities, as well as availability of public transportation and services.
7. **Preserve and Produce Affordable Housing Choices.** Encourage and support rehabilitation of existing affordable housing while ensuring that investment in new housing promotes diversity, and economic, educational, and social opportunity. Make housing preservation and production investments that will create a path to social and economic mobility.
8. **Balance Housing Needs.** Coordinate the allocation of resources to address local and regional housing need, as identified by state and community stakeholders. Ensure that affordable housing preservation and production initiatives and investment of other housing resources promote diversity and social equity and improve neighborhoods while limiting displacement of current residents.
9. **Measure Outcomes.** Collect and analyze data on households throughout the housing delivery system, including the number of applicants and households served. Utilize data to assess the fair housing impact of housing policies and their effect over time, and to guide future housing development policies.
10. **Rigorously Enforce All Fair Housing and Anti-Discrimination Laws and Policies.** Direct resources only to projects that adhere to the spirit, intent, and letter of applicable fair housing laws, civil rights laws, disability laws, and architectural accessibility laws. Ensure that policies allow resources to be invested only in projects that are wholly compliant with such laws.

DHCD has reconvened a Fair Housing Advisory Panel to further develop strategies to implement the objective of ensuring full and fair access to housing for all residents as well as more specific key objectives delineated in DHCD's Analysis of Impediments to Fair Housing. The Panel, which is comprised of fair housing advocates and representatives of quasi-public state agencies and state and local enforcement agencies, was reconvened in July 2007 and met monthly for the remainder of 2007. The current agenda for the Panel is to discuss methods for furthering fair housing education and outreach, evaluating current local selection practices, promoting universal design and visitability, increasing community accountability for exclusionary practices, and improving housing access for residents with limited English proficiency.

Financial Resources Available for FY 2008

In addition to the approximately \$50 million that will flow to the state through the federal programs covered by this Annual Action Plan, and the approximately \$331 million that comes from other federal sources to support housing and community development activities (60 percent of which is federal rental assistance), Massachusetts expects to commit more than \$300 million to support the types of activities outlined in this plan. **Table 3** identifies the funding that will be available from all state and federal sources for federal FY 2008.

The Commonwealth is one of about two dozen states that regularly appropriates funds to support housing and community development activities. The State Legislature provides financing both through the state's capital and operating budgets. Massachusetts also has an affordable housing trust fund; a low income housing tax credit that piggy-backs onto the federal credits, enabling them to assist more units; and a state historic tax credit, which provides another funding source for affordable housing that is created through adaptive reuse of qualifying structures. The approximately \$13 million that Massachusetts has available annually in federal low income housing tax credit allocation, plus the additional \$4 million in state credits, has the potential to generate over \$100 million in equity to support the creation or preservation of low income housing.

MassHousing, the state's innovative housing development finance agency, provides funding for a variety of rental housing development, home purchase and home repair programs. Other quasi-public agencies that also fund the production and preservation of low and moderate income housing are MassDevelopment, the Massachusetts Housing Partnership Fund (MHP), and the Community Economic Development Assistance Corporation (CEDAC). Each contributes a specialized expertise in equity placement, lending, and/or technical assistance to support the efforts of the state's sophisticated and dedicated network of for-profit and nonprofit affordable housing developers. More than \$1 billion will be committed by these agencies in FY 2008 to support these important programs. (These funds are included in Table 4.)

Through years of collaboration with banks, insurance companies and other financial institutions doing business in the state, and bolstered by legislation, Massachusetts has been able to expand the pool of resources available to support affordable housing development and preservation. In addition, most of the state's large cities, and an increasing number of smaller cities and towns, have dedicated resources to the creation or preservation of affordable housing. Among the mechanisms used are municipal funding, inclusionary zoning, contributions, and the Community Preservation Act. Private foundations and nonprofit organizations also provide a significant contribution to housing assistance in Massachusetts. Just in the past two years, a consortium of foundations (Home Funders) has raised nearly \$20 million of very low cost funds to support the creation of housing for extremely low income households as part of its members' commitment to eliminate family homelessness in Massachusetts.

Beyond the provision of funds, the Commonwealth has undertaken a variety of initiatives intended to meet its housing and community development needs, including updating and strengthening its 35-year old affordable housing zoning statute, MGL Chapter 40B, enacting smart growth legislation (Chapter 40R and Chapter 40S), working to promote employer-assisted housing, helping address the problems of rising foreclosures and predatory mortgages, and providing a wide range of technical assistance supports and incentives to induce communities to be more supportive of affordable housing opportunities appropriate for individuals and families across a range of age, need and income.

Table 3: Summary of FY 2008 DHCD Funding From all State and Federal Sources

FY2008 DHCD Budget - All Funding Sources						
Funding Sources	State	Capital (Supp.)	Capital (Bond & MHFA)	Federal	Trust	Total
ADMINISTRATION						
MAIN ADMINISTRATION - 70040099	10,193,166					10,193,166
INDIAN AFFAIRS - 70040001	204,425					204,425
NATIVE AMERICAN STUDIES INSTITUTE - 70040011					104,343	104,343
Subtotal:	10,397,591	0	0	0	104,343	10,501,934
PUBLIC HOUSING & RENTAL ASSISTANCE						
AHVP (Alternative Housing Voucher Program) - 70049030	3,500,000					3,500,000
C.707 Rental Assistance (DMH & DPH) - 70049033	3,500,000					3,500,000
MRVP - 70049024	29,958,638					29,958,638
SEC 8 HOUSING CHOICE VOUCHER PROGRAM - 70049014				200,000,000		200,000,000
SEC 8 MODERATE REHABILITATION - 70049019				7,600,000		7,600,000
SEC 8 NEW CONSTRUCTION PROGRAM - 70049020				6,435,000		6,435,000
SEC 8 SUBSTANTIAL REHABILITATION - 70049009				9,400,000		9,400,000
SEC 8 ADMIN FEE HOUSING VOUCHER - 70042363					1,334,162	1,334,162
SEC 8 ADMIN FEE MODERATE REHAB - 70042364					156,000	156,000
SEC 8 ADMIN FEE NEW CONSTRUCTION - 70042365					560,000	560,000
SEC 8 ADMIN FEE SUBSTANTIAL REHAB - 70042361					378,000	378,000
SHELTER PLUS CARE LOWELL - 70049051				25,000		25,000
Resid. Assistance for Families in Transition (RAFT) - 70049316	5,000,000					5,000,000
TENANCY PRESERVATION PROGRAM - 70043045	500,000					500,000
HOUSING SERVICES (HCECS) - 70043036	1,821,925					1,821,925
PUBLIC HOUSING SUBSIDIES - 70049005	60,113,590					60,113,590
PUBLIC HSG MODERNIZATION/DEVELOPMENT - 70047011			90,000,000			90,000,000
PUBLIC HSG ENERGY ALLOCATION - 70042718					30,000	30,000
SERVICE COORDINATORS PROGRAM - 70044314	490,401					490,401
Subtotal:	104,884,554	0	90,000,000	223,460,000	2,458,162	420,802,716
HOUSING DEVELOPMENT						
AFFORDABLE HOUSING TRUST FUND - 70049300 & 70048020			5,000,000		5,550,000	10,550,000
CAPITAL IMPR. & PRES. (CIPF) - 70047015			4,000,000			4,000,000
HOME - 70049028				13,925,418		13,925,418
HOME PARTNERSHIP TRUST - 70049026					895,672	895,672
HOME TECHNICAL ASSISTANCE - 70049039				150,000		150,000
FACILITIES CONSOLIDATION FUND (FCF) - 40008200			6,000,000			6,000,000
HOUSING INNOVATION FUND (HIF) - 70047013			10,000,000			10,000,000
HOUSING STABILIZATION FUND - 70047014			20,000,000			20,000,000
LEAD-BASED PAINT HAZARD CONTROL PROG. - 70040304				2,000,000		2,000,000
LOW INCOME HOUSING TAX CREDIT - 70049315	2,334,014					2,334,014
SOFT SECONDS - 70042475	5,250,000					5,250,000
MHFA 13A - 70049201	4,500,000					4,500,000
COMMERCIAL AREA TRANSIT NODE HOUSING			5,000,000			5,000,000
TRANSIT ORIENTED DEVELOPMENT (ISA w/EOT)			2,950,000			2,950,000
MASS REHAB HOME MODIFICATION LOANS			4,000,000			4,000,000
COMMUNITY BASED HOUSING INITIATIVE			4,000,000			4,000,000
Subtotal:	12,084,014	0	60,950,000	16,075,418	6,445,672	95,555,104
COMMUNITY SERVICES						
CDAG - 70047012			10,000,000			10,000,000
COMMUNITY DEVELOPMENT GRANTS - 70040098		8,483,753				8,483,753
COMMUNITY SERVICE BLOCK GRANT/CSBG - 70042034				17,110,304		17,110,304
LOW INCOME HOME ENERGY ASST. (LIHEAP) - 70042033				81,100,577		81,100,577
LOW INCOME HOME ENERGY ASST. (STATE LIHEAP) - 70041000						0
WARNER MULTI-FAMILY OIL OVERCHARGE - 34221066					543,536	543,536
HUD SOLAR ENERGY TRUST - 34221060					18,475	18,475
INDIVIDUAL DEV ACCTS (IDAs) - 70049317	600,000					600,000
SMALL CITIES COMMUNITY DEVELOPMENT (CDBG) - 70043037				34,468,976		34,468,976
SMALL CITIES BLOCK GRANT EDSA TRUST - 70043041					5,346,934	5,346,934
SMART GROWTH TRUST FUND - 70044500					1,339,370	1,339,370
WORCESTER GRANT - 70042052		400,000				400,000
URDG - 70049108			4,286,306			4,286,306
WEATHERIZATION ASSISTANCE FOR LOW INCOME - 70042030				6,471,361		6,471,361
Subtotal:	600,000	8,883,753	14,286,306	139,151,218	7,248,315	169,769,592
Total Agency:	127,966,159	8,883,753	165,236,306	378,686,636	16,256,492	696,629,346

The Role of the Consolidated Plan Resources

Within the strategic framework established to respond to the state's overall housing and community development objectives, the use of HOME, Community Development Block Grant (CDBG), and HOPWA funds responds to the priorities of Massachusetts' communities to meet the needs of preserving existing housing, and expanding the supply of housing. The housing and service requirements of persons with HIV/AIDS are also addressed by the HOPWA program. The Emergency Shelter Grant funding emphasizes the need to prevent homelessness, featuring a "continuum" model to move people beyond shelter and into supportive transitional and permanent housing environments. This approach supports the Commonwealth's plan for this population by combining state and federal resources to respond to the housing and service needs comprehensively, and promote greater self-sufficiency and economic stability for the homeless and near homeless population. The five year plan and the FY 2007 Action Plan are consistent with the Commonwealth's Continuum of Care Plan.¹

CDBG funds are central to the community development priorities identified in this plan. In addition to the broad range of community development projects, the program supports small business development through support of regional, revolving loan funds, and the retention or expansion of existing businesses through the Massachusetts Community Capital Fund. CDBG funds are also used to improve and expand infrastructure capacity in smaller communities throughout the state, and the housing rehabilitation funds are being used in many communities to revitalize older housing in established neighborhoods. HOME funds for rehabilitation projects also contribute to the neighborhood stabilization priority.

A description of the programmatic initiatives being proposed for FY 2008 regarding the four covered programs is provided below. Please see **Appendix D** for program specific requirements for all covered programs. Descriptions of these programs are also included in **Appendix C**.

Consolidated Plan Covered Programs

Community Development Block Grant (CDBG)

Administered by the Department of Housing and Community Development, the Massachusetts Community Development Block Grant program provides federal funds on a competitive basis to municipalities that have populations under 50,000 that are not designated as HUD entitlement communities. Communities may apply for funding for a variety of projects including the rehabilitation/stabilization of housing stock, improvements to aging infrastructure, stabilization of neighborhoods and assistance to small businesses for job creation. The Massachusetts CDBG Program allows communities to undertake the entire range of eligible activities as authorized by Title I of the Housing and Community Development Act of 1974, as amended. DHCD is encouraging all applicants to target their resources in a comprehensive, integrated manner consistent with the Commonwealth's sustainable development principles. The Program is divided into four separate components, with each serving a different purpose or level of need. In federal FY 2008, the Massachusetts CDBG Program will receive approximately \$33,553,851 from HUD. Based on past demand, approximately 42 percent of this amount will be allocated to support the rehabilitation of 440 affordable housing units through the Community Development Fund (CDF) and Mini-Entitlement components of the CDBG Program.

¹ The Commonwealth submits 22 separate Continuum of Care plans. The so-called Balance of State Plan, submitted by the Department of Transitional Assistance within the Executive Office of Health and Human Services, summarized the needs, objectives, priorities, and resources for the entire state.

- The Community Development Fund (CDF), representing the bulk of the state's CDBG allocation, will be distributed through an annual competitive application process. Access and competitiveness within CDF are affected by an assigned Community Wide Needs score, which is calculated by DHCD for all eligible communities (non-entitlement). CDF supports revitalization efforts and addresses the needs of low and moderate income residents by supporting housing as well as community and economic development activities in Massachusetts cities and towns. The fund is divided into two parts for purposes of allocation: CDF I (\$14,229,237 available) is for communities with high needs as defined by a statistical formula; CDF II (\$2,200,000 available) is for communities with more moderate needs.
- Mini-Entitlement Grants are specifically targeted to municipalities that meet the three following criteria: (1) Community Wide Needs Score over 28; (2) a poverty rate higher than the state average of 6.7% and (3) population over 12,000. Through the Mini-Entitlement program, identified cities and towns can meet a broad range of community development needs in housing, business development, physical development, downtown revitalization, and public social services in identified target areas. The program supports all CDBG-eligible activities and encourages applicants to develop comprehensive, creative solutions to local problems. In FY 2008, 11 municipalities have been designated as Mini-Entitlements eligible to receive up to \$800,000 each.
- The Housing Development Support Program (HDSP) component of the state's CDBG program assists with the creation, preservation and improvement of specific affordable housing projects, which principally benefit low- and moderate-income families. Neighborhood stabilization and expanding the supply of affordable housing remain its primary goals. In FY 2008, \$1,700,000 will be available for HDSP, and funds will be distributed on a competitive basis. Eligible activities include: rehabilitation; reclamation of abandoned/foreclosed properties; related infrastructure; and conversion of under-utilized and obsolete structures. The grants are designed to facilitate small project-specific affordable housing initiatives with emphasis on development, preservation or improvement of housing units, which may not be cost-effective under other development assistance programs or with conventional financing. In a smart growth strategy, many municipalities use HDSP to revitalize their downtowns by rehabilitating vacant upper floors of commercial buildings.
- The Economic Development Fund provides a broad range of economic and community development projects, including: assistance to small businesses; loans or grants for working capital, machinery and equipment, or other business improvements; pre-development studies; economic development planning projects; and public facilities, infrastructure, or public services supporting economic development. Eligible uses are planning, construction, rehabilitation, purchase of machinery and capital equipment, working capital, credit refinancing, incumbent workforce training, real estate acquisition, or public services programs. The program has two components:
 - *Grants to Communities* provides grants to communities for a wide variety of small-to-medium sized economic development projects
 - *Loans to Individual Businesses and Other Entities* provides grants to communities to provide loans to businesses for eligible purposes, including industrial, commercial, real estate and mixed use development projects.

In FY 2008, \$400,000 will be available for the Economic Development Fund.

Geographic Distribution of Funds for CDBG

CDBG resources are available to HUD non-entitlement communities. The HUD entitlement communities in Massachusetts are:

Arlington	Framingham	New Bedford	Taunton
Attleboro	Gloucester	Newton	Waltham
Barnstable	Haverhill	Northampton	Westfield
Boston	Holyoke	Peabody	Weymouth
Brockton	Lawrence	Pittsfield	Worcester
Brookline	Leominster	Plymouth	Yarmouth
Cambridge	Lowell	Quincy	
Chicopee	Lynn	Salem	
Fall River	Malden	Somerville	
Fitchburg	Medford	Springfield	

The complete CDBG One Year Action Plan for 2008 is available in **Appendix D**. Further information regarding the CDBG program may be obtained by calling DHCD, Division of Community Services, at (617) 573-1400.

HOME Investment Partnerships Act (HOME)

As HOME's administering agency, DHCD expects to receive an additional allocation of approximately \$13,586,000 in federal FY 2008, including \$132,403 in the American Dream Downpayment Initiative (ADDI). DHCD intends to continue to administer HOME downpayment and closing costs assistance, in combination with ADDI, as 'HOME ADDI'. DHCD will administer two of the four HOME program types: multi-family rental loans and first-time homebuyer assistance. The agency will continue to award its rental funds through a competitive RFR process. DHCD may also award its project-based homeownership funds and its down payment and closing costs assistance through a competitive process; however, DHCD reserves the option to make ownership funds available on a rolling basis with clear readiness standards. Municipalities, non-profit agencies (including Community Housing Development Organizations (CHDOs) as defined by HUD), and for-profit developers may be eligible applicants for HOME funds. A minimum of 15% of the federal FY 2008 allocation will be reserved for CHDOs serving as owners, sponsors, or developers of rental production projects or project-based first-time homebuyer projects. The Director of DHCD reserves the right to consider geographic distribution in making funding decisions for the 15% CHDO set-aside. DHCD will continue its practice of encouraging CHDOs to participate in the HOME program.

- **Multi-Family Rental Housing Loans:** DHCD expects to commit approximately \$9 million to newly construct or rehabilitate a minimum of 232 HOME-assisted housing units. Typically, DHCD awards up to \$50,000 per unit in HOME assistance to projects located in HOME entitlement or consortium communities. In non-entitlement or consortium communities, DHCD awards up to \$65,000 per unit. Typically, a maximum of \$750,000 is awarded to a project.
- **Homebuyer Assistance:** DHCD expects to award \$2,500,000 million dollars in project-based homebuyer funds to construct and sell or rehabilitate and resell approximately 50 single-family homes to eligible first-time homebuyers through this program. Typically, DHCD awards up to \$50,000 per unit in HOME assistance to projects located in HOME entitlement or consortium communities. In non-entitlement or consortium communities, DHCD awards up to \$65,000 per unit. Typically, a maximum of \$750,000 is awarded to a project. DHCD reviews applications through a competitive process. In addition to the project-based ownership program, DHCD expects to use approximately \$650,000 in HOME Homebuyer Assistance and ADDI to provide down payment/closing costs assistance to 80 eligible buyers under its HOME ADDI program. Typically, a maximum of \$10,000 is awarded to eligible applicants. The program assists income-eligible households with the purchase of their first home. Non-profit organizations, municipalities or municipalities in partnership with non-profit developers are eligible to apply for and opportunity to

administer these HOME purchaser-based funds. HOME participating jurisdictions and Consortium communities are not eligible to apply for HOME ADDI funding.

- Loans to HOME ADDI homebuyers will be structured as deferred payment, 0 percent interest, for a 5-year term during which time the property must remain the buyer's primary place of residence. In the event that a buyer desires to sell the property prior to the end of the five-year term, the full amount of the loan must be repaid to DHCD. DHCD makes HOME ADDI available through a Notice of Funding Availability process.
- DHCD may make up to \$1.5 million available to organizations seeking to preserve foreclosed properties as either rental or ownership opportunities for HOME-eligible occupants. The disbursement of HOME funds for this purpose will be made on a rolling basis.

Geographic Distribution of Funds for HOME

DHCD will continue its past practice of seeking to competitively award HOME funds in those areas of the Commonwealth that do not receive HOME funds as a result of entitlement community or HOME consortium designation. DHCD will competitively award HOME funds for first-time homebuyer and rental loan projects in entitlement communities that provide a match for DHCD administered HOME funds.

HUD entitlement communities and some consortia member communities are listed above under 'Geographic Distribution of Funds for CDBG.' HOME consortiums include the Barnstable County Consortium, North Suburban Consortium, Fitchburg-Leominster Consortium, Holyoke-Chicopee-Westfield Consortium, Metrowest Consortium, Quincy-Weymouth Consortium, Taunton Consortium and the North Shore (Peabody) Consortium.

Additional information about the state's use of HOME funds is available in **Appendix D**. Further information can be obtained by calling DHCD's Division of Housing Development at (617) 573-1300.

Emergency Shelter Grants (ESG)

The Emergency Shelter Grant Program (ESG) funds activities designed to prevent homelessness, support basic shelter and provide essential supportive services for homeless individuals and families, including those specifically geared to re-housing. ESG can assist with the cost of operating shelters, fund essential services or provide homelessness prevention assistance. For FY 2008, Emergency Shelter Grant (ESG) funding was allocated for shelter operations (44%), essential services (30%), and homeless prevention (26%). Those state agencies determined to have the most expertise with the population to be served manage the appropriate programs. Funding was distributed among state agencies which contracted with community based service providers statewide as follows:

State Agencies	Number of Programs Funded
Department of Mental Health	2
Department of Public Health	5
Department of Transitional Assistance	40
Department of Veterans' Services	6
Department of Housing and Community Development	4
	<u>57</u>

These funds will support emergency shelter operations, case management for homeless families and individuals, tenancy preservation programs, homelessness prevention projects, substance abuse counseling, housing search,

AIDS programs, and services to homeless ex-offenders, battered women and veterans. In addition ESG are used on an emergency basis to fund winter beds or overflow beds. For state Fiscal Year 2008 close to \$3,000,000 is being awarded for services from the FY 2008 Emergency Shelter Grant. Each grant recipient must provide matching funds. These awards are expected to serve between 6,000 and 9,000 individuals and families.

Geographic Distribution of Funds for the ESG Program

ESG funds are provided directly by HUD to ESG entitlement communities in Massachusetts. These communities are:

Boston	Lynn	Somerville
Cambridge	New Bedford	Springfield
Fall River	Newton	Worcester
Lowell	Quincy	

The state seeks to provide its allocation of ESG funds to non-HUD ESG entitlement communities. The state's allocation may also be used to serve ESG entitlement communities if they are selected in accordance with the specific terms of the DTA ESG procurement.

Additional information is provided in **Appendix D** of this document. For further information, contact the Department of Transitional Assistance at (617) 348-5936.

Housing Opportunities for Persons with AIDS (HOPWA) Program

The Massachusetts Department of Public Health (MDPH) HIV/AIDS Bureau is responsible for the administration of "balance of state" HOPWA funds. In federal fiscal year 2008, the state was awarded \$173,000 as a formula grantee. MDPH will fund technical assistance services for HIV/AIDS housing providers statewide and several special projects.

Further information regarding HOPWA is provided in Appendix D of this document. Additional information about the state's use of state HOPWA funds can also be obtained by calling the Massachusetts Department of Public Health HIV/AIDS Bureau at (617) 624-5330.

Geographic Distribution of Funds for the HOPWA Programs

Although state HOPWA funds can be used in any area of the state, MDPH prioritizes the use of these resources for programs which are geographically located outside the other six HOPWA Eligible Metropolitan Statistical Areas (EMSAs). AIDS Housing Corporation provides technical assistance services statewide. The other funded special projects are located in Topsfield, MA and Cambridge, MA.

Outcome Performance Measurement System

HUD issued a Final Notice on March 7, 2006 on its Outcome Performance Measurement System. Through the system HUD will collect information on the activities undertaken in the following programs: HOME, CDBG, HOPWA and ESG, and aggregate the data at the national, state, and local level.

The outcome measures framework contained herein will supplement the measurements contained in the HUD notice, along with any revisions adopted by HUD.

The system incorporates the following three objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. Beyond that, the system directs applicants/grantees to select from one of the following three

outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities.

Based on the applicant's purpose for undertaking a project or activity, the applicant will determine and state in the application what the intent of the project is with one of the nine Outcome Statements. An applicant may select additional Outcome Statements if it believes them to be applicable to its proposed activities.

The system will not change the nature of the program or its regulations. This system creates a framework that allows for a consistent reporting to HUD on a national level.

Each outcome category can be connected to each of the overarching objectives, resulting in a total of nine groups of outcomes/objective statements under which the grantees would report the activity or project data to document the results of their activities or projects. Each activity will provide one of the following statements, although sometimes an adjective such as new, improved, or corrective may be appropriate to refine the outcome statement.

- Accessibility for the purpose of creating suitable living environments
- Accessibility for the purpose of providing decent affordable housing
- Accessibility for the purpose of creating economic opportunities
- Affordability for the purpose of creating suitable living environments
- Affordability for the purpose of providing decent affordable housing
- Affordability for the purpose of creating economic opportunities
- Sustainability for the purpose of creating suitable living environments
- Sustainability for the purpose of providing decent affordable housing
- Sustainability for the purpose of creating economic opportunities

In addition, there are certain data elements commonly reported by all programs, although each of the four programs may require different specificity or may not require each element listed below. Grantees will only report the information required for each program, as currently required. No new reporting elements have been imposed for program activities that do not currently collect these data elements. The elements include:

- Amount of money leveraged (from other federal, state, local, and private sources) per activity;
- Number of persons, households, units, or beds assisted, as appropriate;
- Income levels of persons or households by: 30 percent, 50 percent, 60 percent, or 80 percent of area median income, per applicable program requirements. However, if a CDBG activity benefits a target area, that activity will show the total number of persons served and the percentage of low/mod persons served. Note that this requirement is not applicable for economic development activities awarding funding on a "made available basis;"
- Race, ethnicity, and disability (for activities in programs that currently report these data elements)

HUD will combine the objectives, outcomes, and data reported for the indicators to produce outcome narratives that will be comprehensive and will demonstrate the benefits that result from the expenditure of these federal funds.

Finally, the applicant will report on several other indicators, required as applicable for each activity type. These will be detailed in each program application, reporting forms and/or accounting and grants management software.

Monitoring

DHCD and EOHHS recognize and fulfill the monitoring requirements of the four grant programs included in this plan. Monitoring activities are conducted in accordance with the HUD regulations for each program, and may include the following:

1. explanation of grant contract requirements and deadlines to all grantees;
2. field visits to monitor work in progress and completed projects; monitoring is also an excellent opportunity to explore local community development strategies and possibilities and place DHCD assistance in a broader context for local officials.
3. telephone, field visit, or office conference assistance to grantees upon request, or if the agency has identified concerns as a result of a field visit or other technical assistance effort;
4. detailed explanation of ways to improve grant administration procedures should a grantee be having difficulty in meeting contract conditions;
5. ongoing consultation with HUD CPD regional office regarding program status, regulatory and reporting requirements, possible changes in program design, etc.;
6. suspension of grant activities where warranted.

CDBG

The CDBG program holds yearly workshops for applicants to describe the program's aims and requirements, and will be offering additional training in CDBG-related topics. Both CDBG and HOME hold sessions with grantees each year to review all contract conditions, requirements, procedures for requesting payment, etc. CDBG also requires quarterly reports and year-end audits to track activity and progress, and has developed a monitoring system that allows a representative CDBG staff person comprehensive knowledge of all funded activities in any one community. The aim of this effort is to assure the consistent application of program standards and requirements.

Mass. CDBG operational goals include program and project monitoring for progress, program compliance, fiscal management, and fiscal compliance. This process includes ongoing planning, implementation, communication and follow-up between DHCD and its grantees.

The monitoring protocol considers internal controls and processes, use and maintenance of databases and the grant application review cycle. Each of these procedures provides DHCD and grantees with a set of assessment tools for a compliance check.

The Mass. CDBG staff includes a Senior Program Representative with responsibility for monitoring coordination. Monitoring incorporates field visits and desktop reviews that consider progress indicators and submission requirements. Mass. CDBG identifies and completes a risk analysis of all active grantees. This risk analysis assigns a monitoring priority ranking to a grantee. Based upon the assigned priority, staff develops a monitoring plan. The risk rating system is as follows:

FY 2008 Action Plan

- High Priority - Change in key personnel or a change in findings, repeat findings; questioned or disallowed costs; incorrect/incomplete or late quarterly audit or status of funds reports, no subsequent year's funding, long interval since last monitoring.
- Medium Priority - Change in key personnel or incorrect/incomplete or late quarterly, audit or status of funds reports.
- Low Priority - Good/consistent management for prior 2-years; no findings; accurate, complete, timely reports.

DHCD also considers a variety of other indicators, which can affect the priority score. Examples of factors that will increase a grantee's monitoring priority include status as a new grantee to Mass. CDBG; high risk/complex projects (such as economic development); and multiple projects/multiple grants. Following consultation with HUD, DHCD recently modified the risk assessment systems to capture all grantees that have gone unmonitored within the past two years and single-year recipients.

The tools that DHCD uses to monitor are project checklists, desktop reviews, and quarterly reports. Letters outlining findings, corrective actions and/or recommended changes are sent to a municipality's chief elected official in addition to grantee staff.

DHCD standard operating procedures include training and technical assistance to assure effective program implementation and prevent monitoring findings. Mass. CDBG staff makes several on-site visits during the program year to provide technical assistance and pre-monitor projects.

ESG

For ESG, DTA will require dual programmatic and fiscal sign-off by each agency for these reports. DTA will conduct desk reviews and when possible on-site reviews at each of the DTA contracted sites, and will require each Sponsor Agency to do the same.

HOME

DHCD will continue to contract with an outside agency to provide monitoring services and technical support to the HOME Program. Under the contract, the consulting agency is required to provide an annual report summarizing its monitoring and other activities.

The primary activity under the contract is the monitoring of recipients who have received funding from DHCD's HOME Program to undertake eligible housing activities. The purpose of the monitoring is to determine if the recipient is implementing the activities in compliance with the HOME regulations and its contractual agreement with DHCD. While regulatory compliance is the primary emphasis, the monitoring also looks for sound management practices and record keeping to assess and support the financial and physical health of the asset. Further, the visit is an opportunity for the monitor to sit with site staff and train on the program. The agency, as well as DHCD, remains available thereafter to respond to HOME questions.

On a periodic basis, DHCD provides the list of sites for review. DHCD selects those project sites that have completed construction and are entering occupancy for a development review, as well as program administrators (local governments and not-for-profits) who are due for a review. For each recipient that is subject to an onsite monitoring review, the agency schedules and conducts an onsite interview of key program staff, review of program files and inspection of the property, including a sample of the units produced. The results of the visit are compiled and submitted to DHCD in a draft monitoring letter, offering findings of non-compliance as well as matters of advice to the recipient. DHCD issues the letter and receives responses from the grantee. Additionally, the agency conducts onsite monitoring reviews biennially on rental projects with fewer than 26 units and annually for those with 26 or more units. For years not subject to an onsite visit, a desk review is performed to analyze rent charges, income levels, recertification dates and frequency of HQS inspections.

In addition, the agency supports the HOME Program through program advice on compliance questions and annual trainings. Because of state legislation, DHCD now requires HOME developers/owners to report beneficiary data on an annual basis through a web-based tool. This enhances performance measurement efforts and facilitates compliance with state fair housing legislation.

HOPWA

The HOPWA monitoring protocol includes:

1. The CMAR (Contract Monitoring and Assessment Report)

Submitted two times a year, the CMAR is a reporting mechanism required of all housing programs funded by the HIV/AIDS Bureau. It gathers various types of information including demographics on the people served, service delivery data, goals and outcomes, composition and training of the staff; and narratives about the program's work.

2. Site visits

Annual site visits are required. Site visits are frequently conducted more often than once a year. Topics covered in site visits typically include: physical inspection of the facility; meetings with the staff members; meetings with residents; random inspection and review of residents' folders not only to ensure eligibility requirements are being met but also that case management activities are appropriate and completed in a timely manner; and a review of items such as house rules, TB screening policy, and universal precautions.

3. Standards of Care

The AIDS Bureau has published its *Standards of Care: Supportive Housing for Persons Living with HIV/AIDS in Massachusetts*. Compliance with these standards is required of all HIV/AIDS housing programs funded by the HIV/AIDS Bureau of MDPH. Each funded agency is required to undergo a self-evaluation process that includes the participation of its residents (consumers) and a peer agency; the process is facilitated by a third agency contracted by the HIV/AIDS Bureau to provide such specialized technical assistance. The results and recommendations of this process are submitted to the HIV/AIDS Bureau and are used not only for quality assurance but also for ongoing monitoring to improve, where needed, compliance with the standards of care.

Additional 2008 Resources, Initiatives and Expected Level of Activity

Dozens of programs and activities are carried out in addition to those covered by the FY 2008 Action Plan that support the state's six broad housing and community development objectives. Program descriptions and contact information for these additional resources are available in **Appendix C**. Detailed program criteria and guidelines are available in DHCD's Program Book, available on line at www.mass.gov/dhcd/progbook, or from the administering agency, if not DHCD. A summary of all available resources is provided in matrix form in **Table 4**, which illustrates the funding and activities the Commonwealth will marshal to create and maintain an adequate supply of housing; to expand homeownership; reduce homelessness; ensure that persons with special needs have access to appropriate services and accessible housing for persons with special needs; and to enhance the prosperity and economic competitiveness of all regions, compatible with community and environment.

New Rental Production

Besides Massachusetts HOME funds and the CDBG-funded Housing Development Support Program (HDSP) (Refer to **Appendix D** for HOME and HDSP program specifics), the state employs a variety of tools and multiple delivery channels to produce new rental housing that is affordable to low income families. The Department of Housing and Community Development is the allocator of the Low Income Housing Tax Credit,

under which investors receive a stream of credits against their federal taxes in exchange for providing funds for low income housing, supports both new construction and the acquisition/preservation/substantial rehabilitation of low-income housing, as well as special needs housing. At least 20 percent of the units must be reserved for and made affordable to persons with incomes 50 percent or less than the area median income *or* at least 40 percent of the units must be made affordable for persons with incomes 60 percent or less than the area median income. DHCD further requires that 10% of total units be affordable to those at or below 30 percent of the area median income and expects to create or preserve 1,400 units of housing with tax credits allocated in calendar year 2008. DHCD has identified tax credit priorities in harmony with the housing priorities identified in the 2005 – 2009 Consolidated Plan. (The 2008 Qualified Allocation Plan is incorporated by reference into this plan.)

The Commonwealth also provides an array of state bond programs, such as the Housing Stabilization Fund (HSF), Commercial Area Transit Node Housing Program (CATNHP), Housing Innovations Fund (HIF), Community Based Housing (CBH), Facilities Consolidation Fund (FCF), Affordable Housing Trust Fund (AHTF), and Transit-Oriented Development (TOD). MassHousing projects that it will provide financing for 786 new rental units in FY 2008, and investment totaling approximately \$58 million. Twenty percent of these units will serve low income households, the balance will be market rate. Similarly MassDevelopment finances new, mixed income rental units. Both agencies have impressive “smart growth” portfolios of quality housing created through the adaptive reuse of mills, industrial buildings, schools, hospitals, military bases, etc.

The Home Funders program is designed to create new rental housing for extremely low income families and is, funded through grants and program related investments by some of Massachusetts’ leading philanthropies. Home Funders channels its funds through established intermediaries, CEDAC and the Massachusetts Housing Partnership.

New Homeownership Production

Much of the gain in production of new housing for ownership by low and moderate income families has been permitted under MGL Chapter 40B. Chapter 40B has produced roughly 48,000 housing units, with 26,000 affordable, since its passage in 1969. Between 2002 and 2006, approximately thirty percent of all new housing the Greater Boston area was approved under Chapter 40B. Key Chapter 40B homeownership programs include DHCD’s Local Initiative Program, MassHousing’s Housing Starts, and the Federal Home Loan Bank’s New England Fund.

DHCD is introducing a new pilot program under Chapter 40B called Homes for the Workforce that will encourage the development of more housing for moderate-income homebuyers. Under this initiative, communities can set aside a percentage of units in a 40B project for buyers up to 120% of median income and in return receive credit on the state’s Subsidized Housing Inventory for all the units in this project. This program will be an incentive for municipalities to welcome more of the middle-income workers Massachusetts needs to remain competitive.

Many of the state bond programs also support homeownership production; the Housing Stabilization Fund (HSF), Commercial Area Transit Node Housing Program (CATNHP), Affordable Housing Trust Fund (AHTF), and Transit-Oriented Development (TOD) programs help create housing that will be sold to households at or below 80 percent of the area median income or below 110 percent of the area median income.

Preserving Privately-Owned Subsidized Rental Housing

MassHousing will provide over \$159 million in FY 2008 to preserve an estimated 1,850 rental units in existing subsidized housing developments. The agency offers various refinancing programs that maintain and extend affordability in existing properties and address the capital needs of what are now aging buildings. Of the \$159

million in preservation financing, MassHousing will provide \$108 million to preserve 1,324 units of housing through MassHousing's Section 8 Proactive Preservation Program. This program is designed to preserve the affordability at developments supported by Section 8 HAP contracts that are nearing mortgage maturity. MassDevelopment will also preserve over 600 existing subsidized rental units in FY 2008 with \$70 million.

Playing key supporting roles in these efforts to preserve and expand the Commonwealth's supply of affordable housing by providing technical assistance, bridge loans and other types of support are the state's other quasi-public agencies, CEDAC and MHP. DHCD's Capital Improvement and Preservation Fund (CIPF) also supports the preservation of privately-owned subsidized housing that is at imminent risk of losing affordability.

Maintaining and Preserving Existing Privately-Owned Housing

Because of the age of its housing stock, the severity of its winters, the high percentage of elderly homeowners, and the substantial number of homeowners outside the urban areas who rely on septic systems for wastewater treatment, the Commonwealth invests heavily in home repairs, improvement and maintenance. The Community Development Fund, a component of the Massachusetts CDBG program, is a major resource for low and moderate income homeowners who need to repair their homes. DHCD estimates that approximately 440 units will be repaired or rehabilitated in 2008. MassHousing is another source of funding for home repairs. The agency administers a variety of second mortgage products that enable low-and moderate-income homeowners to make needed repairs (e.g., de-leading and lead paint abatement; repairs to and replacement of septic systems; retrofitting of properties to make them accessible to family members with a physical disability). It expects to originate 250 loans in FY 2008, for a total of approximately \$5.2 million. The Home Modification Loan program also helps make existing housing accessible.

Using federal Department of Energy (DOE) and Department of Health and Human Services (HHS) funds, DHCD also expects to serve approximately 2,500 households with \$6 million in funding for weatherization repairs and improvements and approximately 12,000 households with \$8.5 million in funding for emergency heating-related repairs. In addition, an estimated \$81.8 million of HHS resources will be available in FY 2008 to help approximately 143,000 low income households meet the high cost of home heating.

Funding specifically for lead paint abatement initiatives is available from a variety of sources, including federal grants under the Lead-Based Paint Hazard Control Program, MassHousing's Get the Lead Out Program, CDBG housing rehabilitation funds, and state bond proceeds to de-lead state-funded public housing units.

Maintaining and Improving Public Housing

DHCD will spend approximately \$89.3 million in FY 2008 on about 611 capital improvement projects directly related to maintaining the health and safety of residents and modernizing and preserving the state's portfolio of affordable public housing and including approximately \$4.8 million on new construction activities in FY 2008.

DHCD will continue to oversee 242 housing authorities which operate approximately 50,000 units of state-aided public housing in Massachusetts. The Commonwealth subsidizes local housing authorities whose revenues are insufficient to pay operating expenses for their state portfolios, with administration and oversight provided by DHCD. In state FY 2008, approximately \$60 million was appropriated for these subsidies.

Providing Rental Assistance

Massachusetts operates several rental assistance programs. The four largest are: the federally funded Section 8 Program, the tenant-based portion of which is called the Housing Choice Voucher Program (HCVP), the state funded Massachusetts Rental Voucher Program (MRVP), the state funded Alternative Housing Voucher Program (AHVP), and a special set aside funded through the Massachusetts Department of Mental Health

(DMH) for its clients. The federal government provides funding for more than 125,000 households under several Section 8 programs, with the bulk of these funds (projected to be \$217,000,000 in CY 2008) provided under the Section 8 Housing Choice Voucher Program administered statewide by DHCD and 8 regional non-profit organizations. An additional \$15,160,000 represents rental assistance tied to specific projects under the Section 8 New Construction, Moderate and Substantial Rehabilitation Programs. The state will spend around \$31 million in FY 2008 to subsidize the rent of approximately 5,000 households through the MRVP.

Rental assistance programs are administered by 125 public housing agencies and 9 regional nonprofit organizations. More than 75,000 households are assisted through the various tenant based programs, and many receive project based assistance, as well. Rental assistance programs provide a crucial housing resource for families with children, who comprise 53 percent of Massachusetts voucher holders and 52 percent of Section 8 voucher holders. In addition, many local housing authorities also administer the Section 8 Housing Choice Voucher Program with federal funds that are allocated directly to them. Their funding is not included in this total.

Expanding Homeownership

In addition to the HOME and CDBG downpayment and closing costs assistance activities, MassHousing's first time homebuyer mortgage program serves low-and moderate-income first-time homebuyers in Massachusetts. Funded from the proceeds of Mortgage Revenue Bonds (MRBs) and other capital sources, the agency provides prospective homebuyers below-market rate mortgage loans, with flexible underwriting standards, and little or no money down. Loans are originated through a network of banks and mortgage companies throughout the Commonwealth. In FY 2008, approximately \$350 million is expected to be available to serve over 1,945 households.

The DHCD/Massachusetts Housing Partnership Fund (MHP) Soft Second Loan Program also helps eligible low and moderate income buyers purchase their first homes. Buyers obtain a bank mortgage for 75 percent of the purchase price and the Soft Second program provides a second mortgage for 20 percent of the price. The interest on the second mortgage may be subsidized for 10 years. The public investment is secured by the junior mortgage repayable at the time of resale or refinancing. During FY 2008, DHCD and MHP expect to invest approximately \$6.9 million in state funds to support approximately 1100 homebuyers with Soft Second loans (from the Housing Stabilization Fund).

Addressing Homelessness and Housing for Special Needs Populations

The Governor has convened a special Commission charged with creating a clear plan to end homelessness in the Commonwealth of Massachusetts. This Commission is made up of government, non-profit, and private representatives and will release a plan consistent with the overall principle of "housing first".

The strategy for serving special populations involves both rental assistance, production – including production of service-enriched housing – and initiatives to ensure that more units within the existing inventory are available and suitable for these consumers. MassDevelopment finances assisted living facilities, nursing homes and continuing care retirement centers to serve the state's growing low-income, frail elderly population.

DHCD and the state agencies serving elderly and disabled clients (the Departments of Elder Affairs, Mental Health, and Mental Retardation) work closely with local housing authorities and service providers to effect an integrated team approach to housing and services. Notable examples include the re-engineering of Chapter 689 and 167 housing and the Supportive Senior Housing Initiative which expects to serve over 4,000 households in FY 2008 with approximately \$4.2 million in funding.

In addition, two federal programs, Section 202 and Section 811, provide funding for the production of new elderly and special needs housing. Funds for these programs are awarded directly to project sponsors on the basis of a competition for a regional allocation of funds. In recent years, 4-6 projects have been awarded funds under these programs, enabling them to create around 170 new units per year. DHCD expects this level of production to continue during 2008.

Supporting Community Development

The CDBG Action Plan, available in its entirety in **Appendix D**, describes the state's largest resource for Community Development activities. In addition, DHCD administers the Massachusetts Downtown Initiative (MDI) and Community Development Action Grants (CDAG) described in **Appendix C**, and delivers a wide variety of technical assistance planning support on Community Development and housing topics.

Table 4: Summary of Projected FY 2008 Housing and Community Development Resources and Activities

Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2008	Expected Level of Activity FY 2008
<i>Federal Consolidated Plan Covered Resources</i>				
CDBG (Total Allocation)	Housing Rehab, CD Activities, Economic Dev	Min 51% low income	\$34,468,976	
CDBG: Community Development Fund	Housing Rehab	Min 51% low income	\$6,900,279	440 units
CDBG: Community Development Fund	CD Activities	Min 51% low income	\$9,528,957	
CDBG: Mini-Entitlement	Housing Rehab	Min 51% low income	\$1,936,000	
CDBG: Mini-Entitlement	CD Activities	Min 51% low income	\$6,864,000	
CDBG: Housing Development Support Program	Housing Rehab, Mixed Use	Min 51% low income	\$1,700,000	12 units
CDBG: Economic Development Fund	Support Business Development	Min 51% low income	\$400,000	
CDBG: Bridge Financing & Section 108 Loan Guarantee Program			Not a cash allocation	
ESG (DTA Administered)	Shelter Operations, Services	100% low income, Homeless Ind & Fam	Approx. \$2,562,082	Serve 6,000 – 8,000 individuals and/or families
HOME (Total Allocation)	Production & Homebuyer Assistance	100% low income with 60% and 50% bands	\$13,586,515	362 units
HOME: Multi-Family Rental	Rental Production	100% below 60% & 50% AMI	\$9,088,700	232 units
HOME: Homebuyer Assistance - rehab/new construction for FTHB	Rehab/New Const - Ownership	100% at/below 80%AMI	\$2,500,000	50 units
HOME: Homebuyer Assistance - DP and closing costs	Homebuyer Assistance	100% at/below 80%AMI	\$520,000	64 households
HOME: American Dream Downpayment Initiative	Homebuyer Assistance	100% at/below 80%AMI	\$132,403	16

Table 4: Summary of Projected FY 2008 Housing and Community Development Resources and Activities

Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2008	Expected Level of Activity FY 2008
HOPWA: Supportive Housing Programs	Supportive Services	Individuals and families with HIV/AIDS	\$31,500	19 Supportive Housing Units
HOPWA: Technical Assistance	TA to HIV/AIDS Housing Programs	N/A	\$158,874	2 Statewide Programs
<i>Other Federal Resources</i>				
DOE: WAP (Administered by DHCD)	Weatherization Repairs & Improvements	Low income households	Approximately \$6 million	2,500 households
FHLB Boston: Affordable Housing Program	Gap Financing (Usually)	Low/mod households	10 percent of the Bank's net earnings from the prior year. Forward looking data are not available.	Forward looking data are not available.
FHLB Boston: New England Fund	Rental & Ownership Production	25% for Low/Mod Households	Program remains available; subject to market forces and demand. Forward looking data are not available.	Program remains available; subject to market forces and demand. Forward looking data are not available.
FHLB Boston: Community Development Advances	Rental & Ownership Production; Economic Development; Mixed-Use	Residential: Up to 115% of Area Median Income; Economic Development: Up to 100% of Area Median Income	Program remains available; subject to market forces and demand. Forward looking data are not available.	Program remains available; subject to market forces and demand. Forward looking data are not available.
HHS: CSBG (Administered by DHCD)	Anti-poverty & self-sufficiency programs	Low income individuals & households at or below 125% of FPL	\$15,636,706	230,000 households
HHS: HEARTWAP (Administered by DHCD)	Emergency Heating Repairs	Low income households at or below 200% of FPL	\$8,500,000	12,000 households
HHS: LIHEAP (Administered by DHCD)	Fuel Assistance	Low income households at or below 200% of FPL	\$81,834,727	143,000 households
IRS: LIHTC	New Rental Production and Preservation	40% @ 60% AMI OR 20% @ 50% AMI & 10% @ 30% AMI	\$12,900,000	1,400 units
McKinney Act Program (only state administered balance of state continuum of care funds included.	Excluding ESG	Homeless	Estimated \$8.5 million	Includes permanent housing, transitional housing, and supportive services provided to approx 1,700 homeless individuals and families

Table 4: Summary of Projected FY 2008 Housing and Community Development Resources and Activities

Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2008	Expected Level of Activity FY 2008
McKinney Act Program: Shelter Plus Care	Rental Assistance (Excluding ESG)	Homeless & Disabled	\$3,041,640	266 units (also included in CoC numbers above)
Section 202	Elderly Rental Production	Low Income Elderly	\$27,042,900 (includes capital advances and three-year rental subsidies)	174 units
Section 8 Rental Assistance (S8 RA) Administered by DHCD – Housing Choice Vouchers (HCV)	Rental Assistance (See Note)	ELI/Low Income Households	CY 2008: \$217,000,000	18,752 units
S8 RA Special Voucher Programs	Rental Assistance	Various Special Needs (Listed Below)		
S8 New Construction/Substantial Rehab (NC/SR)	Rental Assistance	Family/Elderly	\$15,160,000	1,887
S8 RA Special Voucher Program: FUP	Rental Assistance	DSS involved families in reunification	(included in HCV)	324
S8 RA Veterans Housing Voucher Program (VHVP)	Rental Assistance	Disabled Veterans	(included in HCV)	92
S8 RA Special Voucher Program: TBRA/AIDS	Rental Assistance	Disabled Persons with HIV/Aids	(included in HCV)	217
S8 RA Special Voucher Program: HOP	Rental Assistance	Homeless Persons with Disabilities	(included in HCV)	345
S8 RA Special Voucher Program: DSG	Rental Assistance	Disabled, non-Elderly Individuals	(included in HCV)	600
S8 RA Special Voucher Program: MS	Rental Assistance	Disabled Households	(included in HCV)	275
S8 RA Special Voucher Program: PBRA/AIDS	Rental Assistance	Persons living with HIV/AIDS	(included in HCV)	34
Section 8 Mod Rehab	Rental Assistance	ELI/Low Income Households	CY 2008: \$7,800,000	1,242
Section 811	Special Needs Rental Production	Persons with Disabilities	\$2,458,500 (includes capital advances and three-year rental subsidies)	20 units
USDA Rural Development: Sec 502 Single Family Housing	Direct Loans for Homeownership	ELI/Low Income Rural Households	\$8,000,000	\$8,000,000

Table 4: Summary of Projected FY 2008 Housing and Community Development Resources and Activities

Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2008	Expected Level of Activity FY 2008
USDA Rural Development: Sec 502 Single Family Housing	Guaranteed Loans	Low Income Rural Households	\$10,000,000	\$8,000,000
USDA Rural Development: Sec 504 Single Family Housing	Repair Loans	ELI Elderly Rural Households	\$139,000	\$100,000
USDA Rural Development: Sec 504 Single Family Housing	Repair Grants	Non-Profits for Admin of Rehab Programs	\$144,000	\$144,000
USDA Rural Development: Sec 515 Multi Family Housing	Rental Housing	Existing Multi Family Housing	No individual state allocation National NOFA	\$1,000,000 most likely for repair/rehab of existing 515 properties
USDA Rural Development: Sec 538 Multi Family Housing	Rental Housing	Multi Family Guaranteed Loans in Rural Areas	No individual state allocation National NOFA	Goal is one loan of \$2.4 million, 20 to 24 units
USDA Rural Development: Community Facilities Program	Essential Community Facilities	Community with a population of less than 20,000	Approximately \$12,500,000	Approximately \$20,000,000
USDA Rural Development: Water & Waste Disposal Program	Public water and sewer systems	Community with a population of less than 10,000	Approximately \$9,300,000	Approximately \$10,000,000
USDA Rural Development: Distance Learning Telemedicine Program	Telecommunications technologies	Community with a population of less than 10,000	\$50,000 to \$500,000	\$500,000
USDA Rural Development Business and Cooperative programs	Improve Economic Climate	Communities with a population of less than 50,000	\$2.6 million	\$8.6 million
<i>State & Other Resources</i>				
CEDAC: Pre-development	Tech Assistance to Create & Preserve Affordable Hsg	Non-profit developed housing throughout the Commonwealth	\$8.5 million	Support up to 80 projects with predevelopment financing. Launch a recourse line of credit product.
CEDAC: Acquisition Loan Program		Non-profit developed multi-family housing throughout the Commonwealth	\$7.5 million	Support up to 10 projects with acquisition financing
DHCD: 13A	Interest subsidy on existing rental units	Moderate Income		
DHCD: Affordable Housing Trust Fund	Production and Preservation of Rental & Ownership	Up to 110% AMI	\$25,000,000	1243 total units; 804 affordable
DHCD: AHVP	Rental Assistance	Low income, disabled	\$3,500,000	400 households

Table 4: Summary of Projected FY 2008 Housing and Community Development Resources and Activities

Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2008	Expected Level of Activity FY 2008
DHCD: Capital Improvement Preservation Fund	Preservation of Expiring Use Rental Developments	Households at/below 50% and 80% AMI	\$4,000,000	228 units
DHCD: Commercial Area Transit Node Housing Program	Production & Rehabilitation of Rental & Ownership	Individuals & Families at/below 80% AMI	\$5,000,000	160 units
DHCD: Community Based Housing	Production & Acquisition of Rental Housing	Individuals with Disabilities and Elders	\$4,000,000	30 units
DHCD: Community Development Action Grant	Economic Development	Public owned or managed projects	\$9,200,000	Grants to 9 communities
DHCD: Chapter 707 - Department of Mental Health Rental Subsidy Program	Rental Assistance and Supportive Services	DMH Clients	\$3,500,000	925 clients
DHCD: Facilities Consolidation Fund	Production & Acquisition of Special Needs Housing	DMH/DMR clients	\$6,000,000	125 units
DHCD: Housing Innovations Fund	Production & Acquisition of Special Needs Housing	Very low income persons	\$10,000,000	500 units
DHCD: Housing Stabilization Fund	Rental & Ownership Production & Preservation	Low/mod households	\$20,000,000	852 units
DHCD: Local Initiative Program	New Production, Ownership & Rental	Low/mod households	Technical Assistance Provided	430 units
DHCD: Local Housing Authority Transitional Housing Program	Transitional Housing and Services	Homeless families in DTA shelter	\$1,700,000	116 units
DHCD: LIHTC	New Rental Production and Preservation	40% @ 60% AMI OR 20% @ 50% AMI & 10% @ 30% AMI	\$4,000,000	See IRS: LIHTC
DHCD: Massachusetts Downtown Initiative	Tech Assistance, Information and Workshops	Municipalities	\$90,000	
DHCD: Mixed Pop Service Coordination Program	Services Coordination	Young Disabled and Elderly Residents of C.667 Housing	\$490,401	-21 LHAs -30 Communities -4500 units -500-600 cases/mo.
DHCD: MRVP	Rental Assistance	Low/mod households	\$31,617,428 (includes approximately \$2 million of surplus spending from FY07)	Approximately 5,000 households
DHCD: Public Housing Administration	Public Housing Operations	Very low income households	\$65,141,244	50,000 units

Table 4: Summary of Projected FY 2008 Housing and Community Development Resources and Activities

Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2008	Expected Level of Activity FY 2008
DHCD: Public Housing - Modernization	Public Housing Improvements & Upgrades	Very low income households	\$89,344,313 (includes \$4.8 million for new construction of public housing)	611 projects
DHCD: Housing Consumer and Education Centers	Information, Education, Referral	Housing Consumers and Providers	\$1,600,000	43,615 people
DHCD: Residential Assistance for Families in Transition	Homelessness Prevention	Families at risk of homelessness/50% AMI	\$5,000,000	2,800 families
DHCD: Tenancy Preservation Program	Homelessness Prevention	Persons with disabilities facing eviction	\$1,628,767	350 households
DMH: Housing (administered by DHCD)	Special Needs Housing	DMH clients	Included in Public Housing Administration	621 units
DMR: Supervised and Supportive Living Services (administered by DHCD)	Special Needs Housing	DMR Clients	Included in Public Housing Administration	Capacity to serve 1070 clients
DTA: Emergency Assistance Family Shelter	Family Shelters	Homeless Families	Estimated \$83,121,534	Emergency shelter capacity for approx. 1,859 families each night
DTA: Individual Homeless Shelter	Individual Shelters	Homeless Individuals	Estimated \$35,939,936	Emergency shelter capacity for approx. 2,850 adults each night
DVS: Shelters	Homeless Veterans Housing	Homeless Veterans	Total DVS funding (for homeless veterans programs): \$5,104,133	
DVS: Transitional Housing	Homeless Veterans Housing	Homeless Veterans	Total DVS funding (for homeless veterans programs): \$5,104,133	
DVS: Permanent Housing	Homeless Veterans Housing	Homeless Veterans	Total DVS funding (for homeless veterans programs): \$5,104,133	
Elder Affairs: Assisted Living	Assisted Living	Elders & Disabled Persons	N/A	12,000 units
Elder Affairs: Supportive Senior Housing	Rental Senior Housing	Elders in Public Housing	\$4,188,633	31 sites/4200 residents
Elder Affairs: Congregate Housing	Rental Housing	Elders & Disabled in Ch 667 Public Housing	\$1,605,290	54 sites, 701 units
EOT: Transit Oriented Development	Pedestrian, Bicycling improvements, Housing, and Parking for TOD projects	TODs, Housing - 25% affordable, up to 80% median income	\$5,000,000 to \$6,000,000 (bond program)	Uncertain

Table 4: Summary of Projected FY 2008 Housing and Community Development Resources and Activities

Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2008	Expected Level of Activity FY 2008
MassDEP (State Revolving Fund): Clean Water SRF	Infrastructure	Municipalities & Wastewater Districts	\$400,000,000	40-50 projects
MassDEP (State Revolving Fund): Drinking Water SRF	Infrastructure	Public Water Suppliers	\$130,000,000	30-40 projects
MassDevelopment: Brownfields Redevelopment Fund - Site Assessment	Redevelopment		\$750,000	500 units
MassDevelopment: Brownfields Redevelopment Fund - Remediation	Redevelopment		\$2,000,000	200 units
MassDevelopment: Tax-exempt Affordable Rental Housing Production	Rental Housing Production	20% @ 50% AMI or 40% @ 60% AMI	\$307,000,000	1864 units
MassDevelopment: Tax-exempt Affordable Rental Housing Preservation	Rental Housing Preservation	20% @ 50% AMI or 40% @ 60% AMI	\$70,000,000	643 units
MassHousing: 202 Refinancings	Preservation of Elderly Rental Housing	Low/mod households	\$3,000,000	40 units
MassHousing: Elder Choice	Assisted Living Facilities Production	Low Income Frail Elderly	\$0	0
MassHousing: First Time Homebuyer Mortgage Products, FNMA My Community	Homeownership	80% of loans @ 80% of AMI and below; 20% between 80% and 110% of AMI	\$350,000,000	1,945 loans
MassHousing: Home Improvement (lead abatement, septic repair/replacement, accessibility)	Home Repairs Including Lead Paint Abatement	100% of AMI and below	\$5,200,000	252 loans
MassHousing: Housing Starts	Ownership Production	25% of units for FTHB at or below 80% AMI	\$10,000,000	3 loans -- 110 units total, 28 affordable
MassHousing: Multifamily Production	Rental Housing Production	Low/Mod/Market	\$58,000,000	786 units
MassHousing: Center for Community Recovery Innovations (CCRI)	Rental Housing Production/Preservation	Funding for Creation and Preservation of Sober Housing	\$700,000	125 units
MassHousing: Multifamily Preservation (refinancing)	Rental Housing Preservation	Low/Moderate households	\$48,000,000	487 units
MassHousing: Section 8 Proactive Preservation Program (refinancing)	Rental Housing Preservation	Low/Mod Households	\$108,000,000	1,324 units

Table 4: Summary of Projected FY 2008 Housing and Community Development Resources and Activities

Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2008	Expected Level of Activity FY 2008
MassHousing: Mortgage Insurance for Non-MassHousing Financed Home Mortgages	Homeownership	For eligible buyers with less than 20% down	\$40,000,000	200 loans
MassHousing: Portfolio Management	Rental Housing Preservation	65% low; 15% mod; 20% market		100,288 units in 934 developments
MassHousing: Priority Development Fund	Rental Housing Production	Gap Filler Financing for MassHousing-financed Developments	\$14,000,000	405 units in 8 developments
MassHousing: Priority Development Fund - Technical Assistance	Pre-Development Planning	Municipalities	\$511,101	Approximately 17 awards (based on an average award amount of \$30,000)
MHP: Permanent Financing	Rental Housing Production & Preservation	Low/mod households	\$80,000,000	1,000 to 1,200 housing units (new and preserved), with 800 to 1,000 affordable to households at 60% AMI or less
MHP: Technical Assistance	Technical Assistance	Municipalities	\$300,000	12 total: communities and housing authorities
MHP: Chapter 40B Technical Assistance	Technical Assistance	Municipalities	\$225,000	25 contracts
MHP: Local Housing Partnership Support		Local Housing Partnerships	\$5,000	15 communities
MHP: Soft Second Loan	Homeownership	Low/mod FTHB	\$6,950,000	1100 loans
MHP: Production Capacity Grants	Rental & Ownership Affordable Production by Nonprofits	Nonprofit Developers	\$550,000	30 organizations
MRC: Home Modification Loan Program	Home Modifications	Individuals/Families with Disabilities	\$5,000,000	
MRC:ILP	Rental Assistance	MRC Consumers		
Home Funders: Permanent Financing	To Increase # of ELI Units in MHP Rental Production	100% low income, 20% ELI	\$4,200,000 in HomeFunders dollars, accompanying MHP PRFP 1 st mortgage dollars	Estimated 157 units, of which estimated 46 will be affordable to < 30% AMI households
Home Funders: Predevelopment & Acquisition Loans (CEDAC)	Rental Production	100% low income, 25% ELI	Included in CEDAC funding	

Table 4: Summary of Projected FY 2008 Housing and Community Development Resources and Activities

Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2008	Expected Level of Activity FY 2008
<p>Note - Includes 7 special set asides for special populations, but does not include units administered by the state's local housing authorities. In total, more than 71,000 MA households receive Section 8 Housing Choice Rental Vouchers. In addition, the rents of tenants in more than 60,000 units of subsidized housing are supported by Section 8 project based rental subsidies.</p>				

Institutional Structure and Coordination

The overall institutional structure and coordination is detailed in Section 4 of the five year plan. The FY 2008 Action Plan reflects the continuing cooperative participation of the many state agencies, municipalities and non-profit housing and service providers whose efforts are essential to its success. In particular, the Department of Transitional Assistance (DTA), which administers the Emergency Shelter Grant (ESG), and the Massachusetts Department of Public Health, which administers the state Housing Opportunities for Persons with AIDS (HOPWA) funding, were instrumental in assisting the Department of Housing and Community Development in the organization and development of the One-Year Plan.

Implementation of the One Year Plan is carried out by dozens of state agencies, departments and quasi-public entities, working in concert with a network of for-profit and nonprofit service providers and developers and the 351 cities and towns of the Commonwealth of Massachusetts. Governor Patrick, as a cornerstone of his administration, has committed his leadership and energies to improving both the efficiency and outcomes of state government. As part of this effort, he has made DHCD part of a new Executive Office of Housing and Economic Development. This restructuring is a response to the well-documented link between the Commonwealth's housing shortage and its struggles with job growth. As a result of this change, housing decisions are not made in a vacuum, but rather are made in a coordinated way that addresses both housing need and long-term economic sustainability. In addition, the Governor has set up a new Development Cabinet, which brings together the Executive Offices of Housing and Economic Development, Transportation and Public Works, and Energy and Environmental Affairs. Through this new system, the Commonwealth's government is intently focused on coordinated interagency work that promotes economic vitality, abundant housing and transportation options, and environmental sustainability.

Initiatives to Overcome Gaps in the Delivery System

During the citizen participation process for the five year plan, the public participants underscored that the current institutional structure for carrying out the state's housing and community development plan is in most respects strong. In summary, they felt that state agencies make considerable effort to coordinate the activities of the myriad organizations whose efforts are essential to a successful execution of the plan. Still, opportunities to more closely integrate their policies and programs remain, so efforts at improved efficiency will continue. The management changes already implemented (and described in greater detail in Section 4 of the five year plan) should go a long way in ameliorating some of the challenges. Still, some challenges are more fundamental than managerial:

- DHCD collaborates with many government entities and direct service providers – including local housing authorities, municipalities, community action agencies, community development corporations – to fulfill the purposes of the state's broad housing and community and economic development programs and policies, deliver services, and undertake grant-funded projects. (This is also true of service-related activities overseen by EOHHS in its management of Emergency Services Grants and of the Department of Public Health's AIDS Bureau in its management of HOPWA.). Program development and grant management is done through the Interagency Task Force on ESG and the Balance of State Continuum. Services are delivered to their beneficiaries by private service providers and organizations. Massachusetts benefits from a large and capable group of organizations that can and do carry out a wide variety of housing and human service activities.
- DHCD must balance local and regional interests. Especially in the area of economic development, the state's emphasis is on job creation and retention, and jobs are ultimately created or retained by employers. The state supports its employers – both for-profit and nonprofit by seeking to create a favorable business environment, through a variety of financing programs, and, in the case of for-profit companies, through tax

incentive programs. Assistance that DHCD provides through components of the CDBG program (e.g., the Economic Development Fund and Section 108 financings) and the Community Development Action Grant program involve grants to communities, but the financing requirements, match requirements, pace of the projects, and financial viability of the businesses who will ultimately create the public benefits are all thoroughly examined in the application stage and closely monitored throughout the course of the project. In this manner, the state ensures that capacity constraints in smaller communities do not prevent valuable projects from moving forward.

- Massachusetts' home rule structure of governance results in different levels of local capacity and different local priorities. Outreach and information sharing with local, regional, and non-governmental entities are important for states generally, but are particularly important in Massachusetts, where there is no "mid-level" government, such as counties, to serve as a conduit or liaison between the state and its 351 municipalities. The challenge is magnified by the fact that 212 towns have fewer than 10,000 residents; 125 towns have fewer than 5,000 residents. Towns of this size often cannot afford to have professional community development and planning staff. This lack of capacity presents a problem in the delivery of programs and services in these smaller communities. A long and strong tradition of local autonomy also makes it difficult to plan initiatives across the political boundaries of small Massachusetts communities.

The direct state—local relationship extends to a variety of regulatory and program areas. Local enforcement actions in many health and safety areas, for example, are determined in large part by uniform state safety codes. Also, local land use decision-making is governed by the parameters established by the state's zoning and subdivision control laws. Implementation and enforcement of state standards, however, is often in the hands of localities, and the manner in which localities interpret and use them can affect outcomes. This dynamic is especially notable in the context of residential development, as discussed in Sections 2 and 4 under "Barriers to Housing" in the five year plan. While changes to the fundamental relationship between the state and municipalities are very difficult to attain, this administration is committed to a new partnership that includes more financial support for municipalities and more cooperation from them in work toward common goals.

To overcome these challenges, the state encourages regional cooperation among municipalities and the use of regional and other professional entities to facilitate the administration of programs and to overcome some of the limitations imposed by the small scale of some localities and their governments. DHCD and other state agencies will continue to provide technical assistance and training for municipal officials to increase local government capacity. This year, a new unit, the Community Assistance Unit, was formed within DHCD to help communities with technical assistance and advice as they seek to undertake housing and community development projects.

Also, DHCD will continue to improve its outreach, information dissemination, and partnerships with and among all of its constituencies. The 2005-2009 consolidated planning process typified some of the improvements, for example, greater use of the internet for notices of grant availability, program descriptions, guidance and technical assistance, useful demographic and economic information in a user friendly format, and regulatory changes.

All administering agencies, and their service providers, have committed to improving information, data-sharing, resource availability and requirements to create a more "seamless" experience for clients who are often frustrated by the multiple agency contacts and arrangements necessary to provide services for which these individuals are qualified. This is especially important if the state is to fulfill its objectives relating to homeless and near homeless populations and to people with disabilities and/or other support needs. Agencies and providers expected to be involved in such efforts include local housing authorities, the state's Departments of Transitional Assistance, Mental Health, Mental Retardation, community action agencies, housing providers (nonprofit and for profit), and the vast network of Continua of Care entities.

Fundamental aspects of the structure of state and local government which is composed of 351 municipalities – will continue to pose challenges, which the state will seek to address through outreach, technical assistance, incentives, and cooperation. Making the best use of the institutional structure where it is strong and strengthening it where it is weak, the state will continue pursuing its housing and community development plan.

Consultation/Citizen Participation

The feedback elicited during the Consultation/Citizen Participation process for the FY 2008 Action Plan is described in further detail in **Appendix A**. As required by Annual Plan Regulation, legal notice describing the availability of the Commonwealth's FY 2008 Action Plan Draft, its contents, and notice of public hearing was published on January 16, 2008 in newspapers of general circulation throughout the Commonwealth. The public comment notice clearly stated the length of the month-long public comment period that ended February 11, 2008, that copies of the draft were available at locations across the state and that comments should be sent to DHCD, 100 Cambridge St, Suite 300, Boston, MA 02114 Attention: Patrick Hart. The public comment notice also stated that public hearings were held on January 31, 2008 at the West Springfield Municipal Office Building and on February 1, 2008 at DHCD in Boston. Notices announcing the comment period and public hearings were sent to an extensive list of providers, eligible applicants, advocacy organizations, housing authorities, and local and regional entities that are or could be participants in one or more of the programs described in the plan. The FY 2008 Action Plan Draft was mailed at the same time to 18 locations across the Commonwealth and made available at DHCD's and EOHHS's offices in Boston. In addition, the draft plan was posted on the DHCD website, www.mass.gov/dhcd, and thus made available to all the citizens of the Commonwealth.

DHCD supports the fundamental principles of promoting fair housing and sustainable development, enhancing community based organizations and local government capacity, removing barriers to affordable housing production and improving the outcomes of government action. This Action Plan identifies specific activities and goals for FY 2008 based on these principles and the housing and community development needs, strategies and objectives discussed in the five year plan. These principles drive the decision making behind programmatic activities, planning and policy making of DHCD in order to meet the state's housing and community development needs and continually improve the quality, affordability and availability of housing and communities across Massachusetts.

FY 2008 Action Plan

Appendix A: Citizen Participation Plan and Comments

Public Comment Period: January 11, 2008 – February 11, 2008

Public Hearings: January 31, 2008, 11:00 AM – 12:00 PM
West Springfield Municipal Office Building Auditorium
26 Central St.
West Springfield, MA 01089

February 1, 2008, 11:00 AM – 12:00 PM
Department of Housing & Community Development
100 Cambridge Street
2nd Floor, Conference Room B
Boston, MA 02114

West Springfield Public Hearing

Attendees Who Testified

Cassandra Acly, Town of Southbridge Economic Development and Planning Director
Gabriel McCarthy, J.G. McCarthy, Inc.
Michael Nuvalle, City of North Adams Community Development Office
Joe LaPlante, City of West Springfield Community Development Director

Other Attendees

Louis Mountzoures, Mental Health Programs, Inc.
Paul Hills, Town of Ware
Judi Mosso, Town of Ware
Peter Bovier, Town of Longmeadow Housing Commission
Rebecca Frawley, HOME Program Director, DHCD
Matt Duval, HOME Program Coordinator, DHCD
Lou Martin, Division of Community Services Deputy Associate Director, DHCD
Patrick Hart, Policy Analyst, DHCD

Boston Public Hearing

Attendees Who Testified

Alice Boyd, Bailey Boyd
Gabriel McCarthy, J.G. McCarthy, Inc.
Colm Cryan, Sustainable Building Rehabilitation
Mark Carron, Former State Representative, Southbridge
Richard Patoski, private citizen
Maria Davis, reading testimony from Lyndia Downie, Executive Director, Pine Street Inn

Other Attendees

Gavin McLearn, Nuestra CDC

FY 2008 Action Plan

Allen Spivack, DPH HIV/AIDS Bureau
Lou Martin, Division of Community Services Deputy Associate Director, DHCD
Rebecca Frawley, HOME Program Director, DHCD
Molly Phifer, HOME Program Coordinator, DHCD
Mark Siegenthaler, Director of Community Development Unit, DHCD
Patrick Hart, Policy Analyst, DHCD

Written Testimony Received From:

State Senator Richard Moore, Worcester and Norfolk District
State Representative Geraldo Alicea, Sixth Worcester District
Former State Representative Mark Carron, Sixth Worcester District
Southbridge Redevelopment Authority
Barnstable County HOME Consortium
Pine Street Inn
Southbridge Historical Commission
Ron Chernisky, Southbridge Town Councilor
Downtown Southbridge Partnership
Wareham Community and Economic Development Authority
Richard Patoski

Summary of Comments Received and Responses

Buying Down Existing Units in HOME/Unit Costs

Comment

In certain areas of the state and certain market conditions, buying down existing market-rate units is the most realistic strategy for creating new affordable housing. The per-unit costs of this approach, however, are often prohibitive. DHCD should acknowledge buying down market-rate units and deed-restricting them as a HOME-eligible activity and acknowledge that the total development costs in this strategy would probably exceed DHCD's current TDC limit of \$165,000 per unit.

Response

In its FY08 Action Plan, DHCD states that it may make up to \$1.5 million available to organizations seeking to preserve foreclosed properties as either rental or ownership opportunities for HOME-eligible occupants. This purchase/rehab approach could accomplish both the goal of adding to a community's affordable housing stock and that of mitigating the ill-effects of foreclosure and vacant properties. DHCD continues to seek per unit total development costs that are as low as possible given the particular development approach.

Homes for the Workforce Pilot Program

Comment

There should be a more public process surrounding the development of DHCD's Homes For the Workforce Program.

Response

DHCD will continue to listen to input it receives from communities and people across the state as this plan is developed. There will be more opportunities for public input and discussion on our workforce housing proposal.

Housing Development Support Program (HDSP)

Comment

A number of comments were received regarding the reduction of funding allocated to the HDSP line item and the elimination of the second round of HDSP.

Response

The Department continues to support the use of CDBG funds for the rehabilitation and creation of affordable housing. For FY2008, the Department has decided not to offer funding through two rounds of a separate HDSP allocation. Projects proposed under the first round NOI and application process are currently under review. DHCD will work with communities interested in developing affordable housing to identify potential future CDBG resources for their projects.

"Affordable Housing" vs. "Workforce Housing"

Comment

Please provide the number of assisted "Affordable Housing" units that have been assisted since the start of the period covered by the consolidated Plan that were not occupied by a household with at least one working member. Please change the term "Affordable Housing" wherever it is used in the document to "Workforce Housing."

Response

These comments come from concerns that a negative perception of affordable housing developments as welfare programs hampers community acceptance of such housing and obscures the real picture of affordable housing as a needed economic tool and a home for the state's workforce. DHCD believes these are valid concerns, and is currently working on an employer-assisted housing program, as well as a new "Homes for the Workforce" pilot under Chapter 40B that will encourage towns to include moderate-income "workforce housing" in their 40B developments. With regards to the first request, getting such data in the short period of time between the hearings and the final plan is unfeasible. With regards to the second request, any such broad change to our program terminology, which would go beyond just the Consolidated Plan, would require review and discussion far greater than the time period available between the public hearing and the Plan's final submission. As mentioned previously, though, we have launched employer-assisted housing programs and a workforce housing pilot. DHCD is now part of the Executive Office of Housing and Economic Development and is working to promote understanding of the link between affordable housing and economic growth.

The Business Community

Comment

Please provide a description of how the business community will be brought in to support the development of CDBG and HOME assisted housing.

Response

When the Governor took office he combined the housing and economic development agencies, since he understood that affordable housing is critical for businesses – they need a place relatively nearby where their workers can live. Since then, the two parts of the agency have worked together to promote housing and business growth in a coordinated fashion. We have launched employer assisted housing programs and are preparing to launch a workforce housing program under Chapter 40B. We will continue to work with businesses to ensure that our housing efforts, in these and all other programs, are consistent with the overall economic development strategy.

Expiring Use Programs

Comment

Please provide the number of Low and Moderate Income households that have actually lost assisted housing in HUD assisted expiring use projects since the start of the period covered by the Consolidated Plan. Please provide an estimate of the annual amount of federal "Enhanced" Section 8 voucher payments that were lost in the state from the expiring use projects that were assisted under the state's preservation efforts with funding covered by the Consolidated Plan since the beginning of the period covered by the Consolidated Plan. Please also justify the use of resources for preservation projects in light of the fact that they did not increase the housing supply and that Enhanced Section 8 vouchers were available to current residents to avoid the impact of any rent hike when the project was converted to market rents. Please eliminate the allocation of State and Federal Low Income Housing Tax Credits (LIHTC) to the preservation of expiring use projects.

Response

Massachusetts' 2008 Qualified Allocation Plan addresses the federal low income housing tax credit (4% and 9%), as well as the Massachusetts state housing tax credit. The creation of the plan involves public input in determining state needs and priorities. A continued need for preservation exists, as a considerable component of the state's assisted housing stock is nearing the end of initial use restrictions. Each project is underwritten with consideration to see what type of available credit makes the most sense, given the unique characteristics of the particular deal.

Proximity to Transit

Comment

Please limit any program for public assistance for housing in towns that have Public Transit to projects that are within a short walking distance of the available public transit.

Response

DHCD follows the state's Sustainable Development Principles, which encourage projects to locate near public transit locations. DHCD helps administer the state's Commonwealth Capital, CATNHP, TOD, and 40R programs, all of which encourage dense, transit-friendly locations. While we do not at present believe that such a blanket rule is the correct approach, DHCD will continue to promote smart, sustainable development that clusters housing and job locations close to transit.

CDBG FY 2008 One Year Action Plan Information Sessions

<u>Information Session:</u>	Tuesday, October 23, 2007, 10:00 am to 1:00 pm DHCD 100 Cambridge Street, 2 nd Floor Conference Room B Boston, MA
	Wednesday, October 24, 2007, 10:00 am to 1:00 pm West Springfield Municipal Office Building 26 Central Street West Springfield, MA

The agenda for the information sessions was to discuss the preliminary proposed changes to the CDBG FY 2008 One Year Plan which are outlined below.

I. Application Due Dates for CDBG FY 2008 Program are as follows:

Community Development Fund:	February 15, 2008
Mini-Entitlement Program:	February 15, 2008
Housing Development Support Program:	Round 1, Notice of Intent: September 27, 2007 Application: December 20, 2007 Round 2, Notice of Intent: March 27, 2008 Application: May 15, 2008
Economic Development Fund:	Applications accepted on an ongoing basis

2. **Community Development Strategies:** As previewed in the FY 2007 One-Year Plan, two new criteria (items c. and d. below) have been added to the list of criteria by which Community Development Strategies will be evaluated. They relate to the identification of geographic target areas and to the timeliness of a pre-application public forum. Any grant award to municipalities with CD Strategies that do not meet the four criteria below will be subject to special conditions that address Community Development Strategy criteria.
- a. The CD Strategy must describe the manner in which a community has identified and will accomplish projects and activities which include, but are not limited to, the subject CDBG application.
 - b. The CD Strategy must conclude with a list of projects and activities in order of the priority in which the community intends to undertake them.
 - c. The CD strategy must identify the geographic target areas, if any, that are intended as the focus of community development efforts.
 - d. CDBG applications must document that a CD Strategy and its priority list were discussed at a separate public forum, meeting or hearing, held at least two (2) months prior to the submission of a CDBG application in order to allow for timely community input. Compliance with this requirement must be documented by copies of meeting announcements, attendance lists and minutes. Minutes must reflect that the CD Strategy and priority list have been presented and that discussion has occurred. Please note that, while CD Strategies are valid for a period of three (3) years, the public forum is required prior to submission of each CDBG application. This requirement will not apply to EDF or to HDSP Round One.
3. **Mini-Entitlements:** In FY08, DHCD expects to award up to \$8,800,000 from the Mini Entitlement Program allocation to the eleven (11) designated Mini-Entitlement municipalities, listed below. The maximum grant award is anticipated to be up to \$800,000.

Amherst
Chelsea
Everett
Gardner
Greenfield
North Adams
Revere
Southbridge
Wareham
Webster
West Springfield

In order to provide a predictable source of funding for these highest-need communities, DHCD will extend designation for a two-year period that encompasses FY 2008 and FY 2009.

Mini-Entitlement communities will submit applications by the February 15, 2008 due date. While Mini-Entitlement applications will not be competitively scored, they will be reviewed to ensure compliance with all CDBG program requirements. As in FY07, Mini-Entitlement communities may not submit joint applications.

4. **Public Housing:** DHCD will no longer consider CDBG funding requests for Public Housing modernization projects.
5. **Public Social Services:** In FY 2008, DHCD is continuing the fifty percent (50%) economic security and self-sufficiency policy. The policy requires that fifty-percent (50%) of funding for Public Social Services support activities that build economic security and self-sufficiency. The following are examples of Public Social Services that meet this definition. (Two new services: Earned Income Tax Credit (EITC) Counseling and Preparation and Mortgage Foreclosure Prevention Counseling have been added to the list below):

- ✓ ABE/GED classes
- ✓ Domestic Violence Prevention
- ✓ *Earned Income Tax Credit (EITC) Counseling and Preparation*
- ✓ Elder Self-Sufficiency
- ✓ English for Speakers of Other Languages (ESOL)
- ✓ Financial Literacy
- ✓ Homebuyer Counseling
- ✓ Individual Development Accounts (IDAs)
- ✓ Job Training
- ✓ Job-Related Childcare Assistance
- ✓ Job-Related Transportation Assistance
- ✓ Literacy Programs and Training
- ✓ *Mortgage Foreclosure Prevention Counseling*

In requesting a Public Social Services activity, applicants must demonstrate that the activities have been prioritized at the local level. This prioritizing must demonstrate an understanding of the local Community Action Agency needs assessment and not be inconsistent with such Agency's assessment of service needs. Applicants may apply for no more than five Public Social Services activities per program year.

6. **Slum and Blight Designation:** Beginning immediately, DHCD will accept documentation from communities seeking slum and blight designation for a target area on an ongoing basis, but no later than thirty (30) calendar days prior to the submission of a CDBG application for which designation is to be considered. DHCD approval of a slum and blight target area does not qualify an activity or a project proposed in the target area as meeting the national objective or other CDBG threshold criteria. Each activity or project must meet the program criteria in effect at the time of application.
7. **Sustainable Development Principles:** Please see attached revised Sustainable Development Principles. Implementation guidance is pending.

8. Economic Development Fund (EDF):

- a. The submission of FY 2008 EDF Application Information Forms (AIF) and EDF applications will transition to DHCD's web-based system.
- b. DHCD no longer requires that communities applying for EDF funds also submit a Commonwealth Capital application.

9. Housing Development Support Program (HDSP):

- a. The submission of FY 2008 HDSP applications will transition to DHCD's web-based system.
- b. Projects involving the rehabilitation of existing housing units in downtown and village center buildings, or the conversion to housing of upper story space in downtown and village center buildings, as well as other adaptive reuse proposals, may consist of up to 10 units. Single Room Occupancy (SRO) projects are the only other projects eligible to exceed the 7 or 10 unit HDSP unit maximum.
- c. Total HDSP cost should not exceed \$125,000 per unit. On a case by case basis, DHCD will consider Notices of Intent with projects that exceed that cap due to local market conditions or unique project factors.
- d. DHCD no longer requires that communities applying for HDSP funds also submit a Commonwealth Capital application.

In response to comments received at the two CDBG FY 2008 One Year Action Plan Information Sessions, DHCD issued the following clarifications:

1. The maximum file size of an attachment to the on-line application is 4 megabytes.
2. If applying for housing rehabilitation funds, an applicant must fully describe the program design for its housing rehabilitation program under "Project Description" within that packet.
3. For the purpose of site control with regard to senior center projects, "long term" is defined as **at least 10 years**. The application states: "The Mayor or the Board of Selectmen must hold site control. Control can be through direct ownership or a long-term lease (at least ten years) through the Chief Elected Official."
4. During its evaluation of grant applications, DHCD will again review an applicant's Housing/Commercial Rehabilitation program balances from prior years. If an applicant shows balances of uncommitted funds, and is seeking to continue those activities, DHCD reserves the right to reduce FY 2008 awards for those applications. For these purposes, "committed" funds are defined as those under construction contract. In the event DHCD reduces awards, reductions will be made consistently and uniformly for all instances in which balances from prior years remain.
5. Bank Statements are not a required attachment as originally stated in the Program Income Certification instructions. The Program Income Certification form and Grant Management System (GMS) records should accurately reflect activity from the most recent bank statement.

Criteria for Amendment of the Plan

Should DHCD (or in the case of ESG or HOPWA, EOHHS) determine that the plan or any of its elements should undergo significant revision or change, the following criteria will be used to define “substantial change”:

- Discontinuance or addition of a set-aside to any of the programs included in this plan.
- Redefinition of the number and type of program beneficiaries prior to the submission of the annual plan.
- The number of people estimated to benefit from a program falls below the minimum number stated in the annual plan.

Amendments to the Plan Notice and Opportunity to Comment

If an amendment to the Plan becomes necessary, the same notice and comment periods will be followed as were followed with the development and comments on the Plan. A summary of the comments received whether orally or in writing will be attached to the substantial amendment of the Plan. A summary of the comments not accepted and the reasons therefore will be attached to the substantial amendment of the Plan.

Appendix B: Emergency Shelter and Supportive Housing

For Homeless and Special Needs Populations

Family Congregate Shelter Programs.....	ii
Assessment Centers.....	iv
Night Shelters for Homeless Individuals.....	iv
Pilot Housing Programs.....	vi
Scattered Site Shelter Programs	vi
Transitional Shelters.....	vii
Other Housing Programs.....	vii
Residential Treatment and Sober Living Programs.....	vii
Housing Assistance Programs.....	vii
Existing Housing for Persons Living with HIV/AIDS.....	viii

FY 2008 Family Congregate Shelter Programs				
Location	Contracting Agency	Organization	Shelter Name	Units/ Rooms
Pittsfield	Dept. of Transitional Assistance	Berkshire CAC	Our Friends House	6
Brockton	Dept. of Transitional Assistance	Brockton Coalition for the Homeless	Montello House	14
Brockton	Dept. of Transitional Assistance	Brockton Coalition for the Homeless	Conway House	12
Stoughton	Dept. of Transitional Assistance	Brockton Coalition for the Homeless	Evelyn House	16
Cambridge	Dept. of Transitional Assistance	Cambridge YWCA	Camb. YWCA Temple St.	10
Boston	Dept. of Transitional Assistance	Casa Nueva Vida, Inc.	Casa Nueva Vida	16
Boston	Dept. of Transitional Assistance	Catholic Charitable Bureau, Boston	St. Ambrose Inn*	15
Worcester	Dept. of Transitional Assistance	Catholic Charities, Worcester	Youville House	16
Northampton	Dept. of Transitional Assistance	Center for Human Development	Jessie's House	6
Worcester	Dept. of Transitional Assistance	Central Mass Housing Alliance	The Village at Cambridge	45
Boston	Dept. of Transitional Assistance	Children's Services of Roxbury, Inc.	Millenium House	21
Peabody	Dept. of Transitional Assistance	Citizens for Adequate Housing	Inn Between	9
Attleboro	Dept. of Transitional Assistance	Community Care Services	Family Resource Center	7
Lowell	Dept. of Transitional Assistance	Community Teamwork Inc.	Millie's Place	6
Lowell	Dept. of Transitional Assistance	Community Teamwork Inc.	Merrimack House	6
Boston	Dept. of Transitional Assistance	Crittenton Womens Union	Congregate Family	57
Brockton	Dept. of Transitional Assistance	David Jon Louison Foundation	David Jon Louison	19
Marshfield	Dept. of Transitional Assistance	Developmental Disabilities	Carolina Hills	16
Boston	Dept. of Transitional Assistance	Dimock Community Health Center	Dimock Family Shelter	28
Haverhill	Dept. of Transitional Assistance	Emmaus, Inc.	Emmaus House I	9
Hingham	Dept. of Transitional Assistance	Esther Sanger Center	Mary Martha Ctr.	9
Worcester	Dept. of Transitional Assistance	Friendly House Inc.	Friendly House	18
Quincy	Dept. of Transitional Assistance	Friends of the Homeless/South Shore	Faith Home Share	25
Boston	Dept. of Transitional Assistance	Greater Boston YMCA	Families in Transition	22
	Dept. of Transitional Assistance	Health Care of Southeastern Ma	Women's Place Crisis Ctr	1
Worcester	Dept. of Transitional Assistance	Henry Lee Willis Community Center, Inc.	Shepherd's Place	20
Worcester	Dept. of Transitional Assistance	Henry Lee Willis Community Center, Inc.	Shepherd's Place II	7
New Bedford	Dept. of Transitional Assistance	High Point Treatment Center	Harbour House	16
Cambridge	Dept. of Transitional Assistance	Hildebrand Family Self-Help Center	Hildebrand Family	33
Lowell	Dept. of Transitional Assistance	House of Hope Inc.	House of Hope	18
Springfield	Dept. of Transitional Assistance	Housing Allowance Project (Hampden)	Prospect House	9
Falmouth	Dept. of Transitional Assistance	Housing Assistance Corp	Carriage House	9
Hyannis	Dept. of Transitional Assistance	Housing Assistance Corp	Tenancy & Independence	5
Boston	Dept. of Transitional Assistance	Lifehouse Inc.	Lifehouse	10
Boston	Dept. of Transitional Assistance	Little Sisters of the Assumption	Project Hope	12
Lynn	Dept. of Transitional Assistance	Lynn Shelter Assn.	Bridge House	11

FY 2008 Family Congregate Shelter Programs				
Location	Contracting Agency	Organization	Shelter Name	Units/ Rooms
Springfield	Dept. of Transitional Assistance	Martin Luther King Jr. Community Ctr.	Horizons	5
Waltham	Dept. of Transitional Assistance	Middlesex Human Service Agency	Hestia House	16
Waltham	Dept. of Transitional Assistance	Middlesex Human Service Agency	Olivia's Place	16
Waltham	Dept. of Transitional Assistance	Middlesex Human Service Agency	Mary's House	8
Waltham	Dept. of Transitional Assistance	Middlesex Human Service Agency	Sandra's Lodge	37
Boston	Dept. of Transitional Assistance	Most Holy Redeemer	Crossroads	14
Holyoke	Dept. of Transitional Assistance	New England Farm Workers	Family Place	61
Holyoke	Dept. of Transitional Assistance	New England Farm Workers	Our Place	25
Southbridge	Dept. of Transitional Assistance	New England Farm Workers	Our Place/Southbridge	3
Springfield	Dept. of Transitional Assistance	Open Pantry Inc.	Jefferson Street	9
Kingston	Dept. of Transitional Assistance	Plymouth Coalition for the Homeless	Pilgrim's Hope	10
Holyoke	Dept. of Transitional Assistance	Providence Ministries for the Needy	Broderick House	15
Fall River	Dept. of Transitional Assistance	Residential Care Consortium	Fall River Family Res. Ctr	7
Boston	Dept. of Transitional Assistance	Revision House	Revision House	22
Boston	Dept. of Transitional Assistance	Roxbury Multi-Service Center	Family House	24
Boston	Dept. of Transitional Assistance	Salvation Army-Roxbury	Roxbury Family	5
Orange/ Greenfield	Dept. of Transitional Assistance	ServiceNet, Inc.	Orange & Greenfield	11
Boston	Dept. of Transitional Assistance	Shelter Inc.	Boston Family	8
Boston	Dept. of Transitional Assistance	Sojourner House, Inc.	Sojourner House	7
Somerville	Dept. of Transitional Assistance	Somerville Homeless Coalition	Cross Street	5
Milford	Dept. of Transitional Assistance	South Middlesex Opportunity Council	Winterhaven	6
Medway	Dept. of Transitional Assistance	South Middlesex Opportunity Council	Medway House	12
Framingham	Dept. of Transitional Assistance	South Middlesex Opportunity Council	Pathways	13
Boston	Dept. of Transitional Assistance	St. Mary's Women & Infant Center, Inc.	Margaret's House	32
Malden	Dept. of Transitional Assistance	Tri-City Housing Task Force	Transitional Family Home	9
Revere	Dept. of Transitional Assistance	Tri-City Housing Task Force	Walnut Street	15
Holyoke	Dept. of Transitional Assistance	Valley Opportunity Council	Main Street	11
Gloucester	Dept. of Transitional Assistance	Wellspring House, Inc.	Wellspring House	6
63			Total Units/Rooms	971

FY 2008 Family Assessment Centers

Location	Contracting Agency	Organization	Program	Units/ Rooms
Brighton	Dept. of Transitional Assistance	Crittenton Women's Union	Assessment Center	26
Haverhill	Dept. of Transitional Assistance	Emmaus II	Assessment Center	17
Hyannis	Dept. of Transitional Assistance	HAC- Life Center	Assessment Center	17
Crittenton Women's Union	Dept. of Transitional Assistance	North Beacon Inn	Assessment Center	10
3			Total Units/Rooms	60

FY 2008 Night Shelters for Homeless Individuals

Location	Contracting Agency	Organization	Program Name	Beds
Gloucester	Dept. of Transitional Assistance	Action Inc.	Action Inc. Emergency Shelter	20
Milford	Dept. of Transitional Assistance	Alternatives Unlimited	Winter Haven	5
Pittsfield	Dept. of Transitional Assistance	Berkshire Community Action Coun.	Barton's Crossing	10
Boston	Dept. of Transitional Assistance	Boston Medical Center*	Long Island	497
Boston	Dept. of Transitional Assistance	Boston Medical Center	Woods Mullen	190
Boston	Dept. of Transitional Assistance	Boston Rescue Mission	Kingston House	36
Brockton	Dept. of Transitional Assistance	Brockton Coalition for Homeless	Mainspring House	51
Cambridge	Dept. of Transitional Assistance	Catholic Charities	St. Patrick's Women's Shelter	20
Taunton	Dept. of Transitional Assistance	Catholic Social Services of Taunton	Samaritan House	21
Danvers	Dept. of Transitional Assistance	Center for Addictive Behavior	Hawthorne/Tewksbury St. Hosp.	20
Salem	Dept. of Transitional Assistance	Crombie Congregational Church	Crombie St. Shelter	34
Haverhill	Dept. of Transitional Assistance	Emmaus	Mitch's Place	30
Cambridge	Dept. of Transitional Assistance	First Church	First Church Shelter	14
Springfield	Dept. of Transitional Assistance	Friends of the Homeless	Worthington House	48
Westfield	Dept. of Transitional Assistance	Greater Westfield Committee	Samaritan Inn	30
Hyannis	Dept. of Transitional Assistance	Housing Assistance Corp - Noah	NOAH Shelter	50
Lowell	Dept. of Transitional Assistance	Lowell Transitional Living	Middlesex Shelter	90
Lynn	Dept. of Transitional Assistance	Lynn Shelter Association	Lynn Emergency Shelter	40
New Bedford	Dept. of Transitional Assistance	Market Ministries	Market Ministries Shelter	25
Boston	Dept. of Transitional Assistance	Mass Housing & Shelter Alliance	MHSA	217
Boston	Dept. of Transitional Assistance	Mass Housing & Shelter Alliance*	YMCA/YWCA Transitional Housing	164
Waltham	Dept. of Transitional Assistance	Middlesex Regional - M	Bristol Lodge (m)	45
Waltham	Dept. of Transitional Assistance	Middlesex Regional - W	Bristol Lodge (w)	12
Springfield	Dept. of Transitional Assistance	Open Pantry	Warming Place	85
Fitchburg	Dept. of Transitional Assistance	Our Fathers House	Our Father's House	28
Boston	Dept. of Transitional Assistance	Pine Street Inn	Anchor Inn	198

FY 2008 Action Plan

Boston	Dept. of Transitional Assistance	Pine Street Inn	Holy Family	65
Boston	Dept. of Transitional Assistance	Pine Street Inn	Men's Unit	280
Boston	Dept. of Transitional Assistance	Pine Street Inn	Transitional Housing	96
Boston	Dept. of Transitional Assistance	Pine Street Inn	Women's Unit	110
Lawrence	Dept. of Transitional Assistance	Psychological Center (Daybreak)	Lawrence/Daybreak	30
Quincy	Dept. of Transitional Assistance	Quincy Interfaith	Father's Bill's	75
Cambridge	Dept. of Transitional Assistance	Salvation Army (Cambridge)	Cambridge Armory	35
Northampton	Dept. of Transitional Assistance	Service Net Inc.	Franklin County Emergency	39
Cambridge	Dept. of Transitional Assistance	Shelter Inc./ Camb	Shelter, Inc.	20
Marlboro	Dept. of Transitional Assistance	South Middlesex Opportunity Coun.	Marlboro	18
Natick	Dept. of Transitional Assistance	South Middlesex Opportunity Coun.	Meadows	8
Natick	Dept. of Transitional Assistance	South Middlesex Opportunity Coun.	Shadows	10
Framingham	Dept. of Transitional Assistance	South Middlesex Opportunity Coun.	Turning Point	18
Worcester	Dept. of Transitional Assistance	South Middlesex Opportunity Coun.	Worcester Public Inebriate (PIP)	55
Somerville	Dept. of Transitional Assistance	Somerville Homeless Coalition	College Ave.(Chapel St.)	8
41			Total Night Shelter Beds	2,847

FY08 Pilot Housing Programs for Homeless Individuals			
Location	Contracting Agency	Subcontracting Org.	Program Type
Statewide	Dept. of Transitional Assistance	Dept. of Mental Health	Housing First
Boston	Dept. of Transitional Assistance	MA Housing & Shelter Alliance	Housing First

FY08 Scattered Site Family Shelters		
Contracting Agency	Program Name	Units/ Rooms
Dept. of Transitional Assistance	Hildebrand Family Shelter	75
Dept. of Transitional Assistance	Traveler's Aid Society of Boston	45
Dept. of Transitional Assistance	Center for Human Development	20
Dept. of Transitional Assistance	Crittenton Womens Union	20
Dept. of Transitional Assistance	Henry Lee Willis Community Center	8
Dept. of Transitional Assistance	North Shore Community Action	33
Dept. of Transitional Assistance	Metro Boston Hsg Partnership	60
Dept. of Transitional Assistance	Serving People in Need	53
Dept. of Transitional Assistance	Shelter, Inc.	30
Dept. of Transitional Assistance	South Middlesex Opportunity Council	46
Dept. of Transitional Assistance	Brockton Coalition / Homeless	25
Dept. of Transitional Assistance	Childrens Services of Roxbury	95
Dept. of Transitional Assistance	Housing Families, Inc.	25
Dept. of Transitional Assistance	Community Teamwork, Inc	6
Dept. of Transitional Assistance	New England Farm Workers	46
	Total Units/Rooms	587

FY08 Transitional Shelter		
Contracting Agency	Program Name	Units/Rooms
Dept. of Transitional Assistance	Transitional	15
Dept. of Transitional Assistance	Transitional	12
Dept. of Housing & Community Development	Transitional	12
Dept. of Housing & Community Development	Transitional	98
Dept. of Transitional Assistance	Transitional	16
	Total Units/Rooms	153

FY 2008 Other Family Housing Programs				
Location	Contracting Agency	Organization	Program Name	Units/Rooms
Hyannis	Dept. of Transitional Assistance	CAC of Cape and Islands	Safe Harbor	20
Cape Cod	Dept. of Transitional Assistance	Housing Assistance Corp	Barnstable Pilot	6
	Dept. of Transitional Assistance	Catholic Charities	Nazareth House	7
	Total for Other			33

FY 2008 Residential Treatment and Sober Living Programs		
Contracting Agency	Program Name	Units/Rooms
Dept. of Public Health	Residential Treatment	31
Dept. of Public Health	Sober Living	24
	Total Units/Rooms	55

FY 2008 Housing Assistance Programs			
Location	Contracting Agency	Organization	Program Name
Region 1	Dept. of Transitional Assistance	Action for Boston Community Develop.	Action for Boston Community Develop.
Region 2	Dept. of Transitional Assistance	Community Action Programs Inter-City	Community Action Programs Inter-City
Region 3	Dept. of Transitional Assistance	North Shore Community Action Programs	North Shore Community Action Programs
Region 4	Dept. of Transitional Assistance	Community Teamwork, Inc.	Community Teamwork, Inc.
Region 5	Dept. of Transitional Assistance	Quincy Community Action Programs	Quincy Community Action Programs
Region 6	Dept. of Transitional Assistance	Housing Assistance Corp.	Housing Assistance Corp.
Region 7	Dept. of Transitional Assistance	South Middlesex Opportunity Council	South Middlesex Opportunity Council
Region 8	Dept. of Transitional Assistance	Community Care Services, Inc.	Community Care Services, Inc.
Region 9	Dept. of Transitional Assistance	Central Mass. Housing Alliance	Central Mass. Housing Alliance
Region 10	Dept. of Transitional Assistance	NE Farm Region 10	NE Farm Region 10
Region 11	Dept. of Transitional Assistance	New England Farm Workers Council	New England Farm Workers Council

Region 12	Dept. of Transitional Assistance	Berkshire County RHA	Berkshire County RHA
-----------	----------------------------------	----------------------	----------------------

Existing Housing Resources for Persons Living with HIV/AIDS			
Program Name	Region/City	Permanent/ Transitional	Men/Women/ Children
Abby's House	Worcester	Permanent	Women/Children
AIDS Care Hampshire County	Hampshire County	Permanent	5 Individuals & 1 family
Amory Street	Jamaica Plain/Roxbury	Permanent	14 Men & Women
BSSHA/CCA	Cambridge	Transitional	8 Men, Women & Children
BSSHA/Father Bill's	South Shore	Transitional	8 Men, Women & Children
BSSHA/NSCAP	North Shore	Transitional	8 Men, Women & Children
The Bobbie White House	South End (Boston)	Permanent	13 Men & Women
Cape AIDS Ministry	Hyannis	Permanent	8 Families & 1 Individual
Cape Regional HIV/AIDS Housing Initiative	Barnstable, Dukes & Nantucket Counties	Permanent	24 Men & Women
Cathedral Housing Program	South End (Boston)	Permanent	15 Families
Cedar House	Mattapan	Permanent	2 Families
Compassion House	Worcester	Permanent	8 Men
La Comunidad de Walnut Park	Roxbury/Jamaica Plain	Permanent	12-14 Latinos/as
Corpus Christi Residence	Lawrence	Permanent	8 Men & Women/2 Families
Coventry Street Community	Roxbury	Permanent	24 Men & Women
Foley House	Provincetown	Permanent	10 Men & Women
Home Connections Program	Cambridge	Permanent	8 Families
Home Support Program	Roxbury	Permanent	8 Families
HOAP	Worcester	Permanent	64 Men & Women or Families
Homelessness Prevention Program	Statewide	Short Term Rental Assistance	Over 200 Individuals & Families
Hope House	Fall River	Permanent	10 Men & Women
Housing First	Barnstable County	Permanent	30 Men & Women
Huntington at Symphony	Fenway (Boston)	Permanent	25 Men & Women
Joseph McAllaster House	South End (Boston)	Permanent	9 Men & Women
Joy Street Residence	Beacon Hill (Boston)	Permanent	20 Units available
JRI Assisted Living Program	Statewide	Permanent subsidies	Over 400 Individuals & Families
Lakay Project	Greater Boston	Permanent	15 Individuals & Families
Living and Recovering Community (LARC)	Jamaica Plain	Transitional	15 Men & Women
Luis E. Martinez House	New Bedford	Permanent	10 Men & Women
Maranda's House	Worcester	Transitional	9 Women
Nazareth's Residence	Roxbury	Transitional	8-10 Families (Mothers & Children)
New Beginnings at Bethany Hill	Framingham	Permanent	12 Men & Women
New North Citizen's Council	Springfield	Rental Subsidies	10 Individuals & Families
Next Step Home Program	Fall River	Permanent	10 Individuals
Open Door SRO Program	Cambridge	Permanent	15 Men
Project Home	New Bedford	Permanent	7 Families
Proyecto Opciones	Boston & Chelsea	Permanent	24 Latinos/as & Families

Existing Housing Resources for Persons Living with HIV/AIDS			
Program Name	Region/City	Permanent/ Transitional	Men/Women/ Children
Reb Brown Friendship House	Nantucket	Permanent	3 Men & Women (or 1 Adult and 1 Family)
The Rental Startup Program	MA & Southeast NH	Financial Assistance	Men, Women & Families
River Street Community	Mattapan	Permanent	13 Men & Women
River Valley Supportive Services and Housing Program	Holyoke & Springfield	Permanent	22 Units (For Adults and Families)
Robert McBride House	Fenway (Boston)	Permanent	13 Units for 1-2 persons/3 units for 2-4 persons
Rockwell House	Dorchester	Permanent	10 Men & Women
Roofs Over Our Families (ROOF)	Boston	Subsidies and Support Services	16 Families
Rosie's Place	Dorchester (Boston)	Permanent	10 Women
Ruah	Cambridge	Permanent	7 Women
Safe Harbor at Long Island Shelter	Long Island (Boston)	Shelter	20 Men & Women
School Street	Jamaica Plain/Roxbury	Permanent	12 Men & Women
Serenity Supportive Housing	Topsfield	Permanent or Transitional	12 Men & Women
Seton Manor	Brighton (Boston)	Permanent	24 Men & Women
Sheila Daniels House/Edgewood	Roxbury (Boston)	Permanent	3 Families with a male head of household
Sheila Daniels House/Walnut Avenue	Roxbury (Boston)	Permanent	10 Mothers (with their children)
South Common Street Residence	Lynn	Transitional	7 Men & Women
Span Transitional Housing	Boston	Transitional	12 Male Ex-offenders
The SRO Collaborative	Boston	Permanent	32 Men & Women
Talbot Bernard Housing	Dorchester (Boston)	Permanent	5 Units
Transitional Shelter Program	Cambridge	Transitional	5 Men, 5 Women & 1 Family
Ummi's	Roxbury	Transitional	13 Women (children up to 12 years)
Victory Transitional House	Dorchester	Transitional	6 Men
Women's Hope Transitional House	Dorchester	Transitional	7 Women

Source: AIDS Housing Corporation Directory

Appendix C: State and Federal Resources

Available to Support the Goals and Needs Outlined in the 2005-2009 Consolidated Plan

Federal Resources.....	ii
Federal Funds Covered by the Consolidated Plan.....	ii
Other Federal Resources.....	vii
State Resources.....	xiv
Financial Resources from Capital and Operating Budgets.....	xiv
Financial Resources from Other Sources.....	xxvi
Organizational Resources.....	xxviii
State Agencies.....	xxviii
Massachusetts Quasi-Public Agencies.....	xxxiii
Community Partners.....	xxxvi
Other Resources.....	xxxvii

Federal Resources

Federal Funds Covered by the Consolidated Plan

The Commonwealth of Massachusetts has established a number of specific funding channels through which it allocates the funds it receives from HUD under the four programs covered by this Consolidated Plan. These programs enable the Commonwealth to equitably distribute funds to address its highest priority needs in each of the funding categories: affordable housing (including lead paint abatement), homelessness, special needs, and community development. The components of the Massachusetts CDBG, HOME, HOPWA, and ESG Programs are briefly described below. Full program description and guidelines are available from DHCD's website at www.mass.gov/dhcd/progbook.

Community Development Block Grant

Expected FY 2008 Funding: \$34,468,976

Administering Agency: DHCD, Division of Community Services (617) 573-1400

The Mass CDBG Program is divided into the following program components, each serving a different purpose or level of need.

- **Community Development Fund (CDF)**

Expected FY 2008 Funding: \$16,429,237

A component of the Massachusetts Community Development Block Grant Program, CDF supports revitalization efforts and addresses the needs of low and moderate income residents by supporting housing as well as community and economic development activities in Massachusetts cities and towns. The fund is divided into two parts for purposes of allocation: CDF I (\$14,229,237 available) is for communities with high needs as defined by a statistical formula; CDF II (\$2,200,000 available) is for communities with more moderate needs.

- **Housing Development Support Program (HDSP)**

Expected FY 2008 Funding: \$1,700,000

The Housing Development Support Program (HDSP) is designed to facilitate small project-specific affordable housing initiatives with emphasis on development, preservation or improvement of housing units, which may not be cost-effective under alternative development assistance programs or with conventional financing. HDSP funding is generally limited to projects containing fewer than eight units. Projects involving the rehabilitation of existing housing units in downtown and village center buildings, or the conversion to housing of upper story space in downtown and village center buildings, as well as other adaptive reuse proposals, may consist of up to 10 units.

- **The Economic Development Fund**

Expected FY 2008 Funding: \$400,000

The Economic Development Fund provides a broad range of economic and community development projects, including: assistance to small businesses; loans or grants for working

capital, machinery and equipment, or other business improvements; pre-development studies; economic development planning projects; and public facilities, infrastructure, or public services supporting economic development. Eligible uses are planning, construction, rehabilitation, purchase of machinery and capital equipment, working capital, credit refinancing, incumbent workforce training, real estate acquisition, or public services programs. The program has two components:

- **Grants to Communities**

Provides grants to communities for a wide variety of small-to-medium sized economic development projects.

- **Loans to Individual Businesses and Other Entities**

Provides grants to communities to provide loans to businesses for eligible purposes, including industrial, commercial, real estate and mixed use development projects.

- **Mini Entitlement Program**

Expected FY 2008 Funding: \$8,800,000

Municipalities are designated Mini-Entitlement communities if they meet if they meet the three following criteria: (1) Community Wide Needs Score over 28; (2) a poverty rate higher than the state average of 6.7% and (3) population over 12,000. Through this program, identified cities and towns can meet a broad range of community development needs in housing, business development, physical development, downtown revitalization, and public social services in identified target areas. It supports all CDBG-eligible activities and encourages applicants to develop comprehensive, creative solutions to local problems. In FY 2008, 11 municipalities have been designated as Mini-Entitlements eligible to receive up to \$800,000 each.

- **Section 108 Loan Guarantees**

Expected FY 2008 Funding: \$2,000,000 (does not impact CDBG allocation)

Section 108 Loan Guarantees are HUD loans to assist businesses and developers for CDBG-eligible purposes, including industrial, commercial, real estate, housing and mixed-use projects.

- **Bridge Finance Program**

Expected FY 2008 Funding: \$5,000,000 (does not impact CDBG allocation)

The Bridge Finance Program provides short-term loans enabling communities to borrow against the Commonwealth's CDBG allocation for housing & economic development projects.

HOME Investment Partnerships Act (HOME)

Expected FY 2008 Funding: \$13,586,515

Administering Agency: DHCD Division of Housing Development (617) 573-1300

DHCD is the state's administering agency for HOME funds. The Agency intends to continue awarding the majority of its HOME funds competitively, with priority being given to projects located in municipalities not receiving HOME funds directly from HUD. A state match of \$1 for every \$4 of federal money is a requirement of the HOME Program. As in past years, the state match will be the Massachusetts Rental Voucher Program. Annual expenditures through this program total approximately \$23 million. (States are allowed to "bank" match, so this expenditure level is sufficient to ensure funding for many years.) In addition, we have the State Housing Stabilization Fund available for match, with an annual expenditure level of approximately \$20 million.

DHCD will administer three HOME programs: multi-family rental housing loans and homebuyer assistance, both project-based and purchaser-based.

- **Multi-Family Rental Housing Loans**

Expected FY 2008 Funding: \$9,088,700

DHCD expects to commit approximately \$9 million to rehabilitate or newly construct a minimum of 230 HOME-assisted housing units. Typically, DHCD awards up to \$50,000 per unit in HOME assistance to projects located in HOME entitlement or consortium communities. In non-entitlement or consortium communities, DHCD awards up to \$65,000 per unit. Typically, a maximum of \$750,000 is awarded to a project.

- **Homebuyer Assistance**

Expected FY 2008 Funding: \$3,152,403

DHCD expects to award approximately \$2,500,000 million dollars in project-based homebuyer funds to construct or rehabilitate approximately 50 single-family homes for sale to eligible first-time homebuyers through this program. Typically, a maximum of \$750,000 is awarded to a project. In addition, DHCD expects to award approximately \$650,000 for purchaser-based assistance in the form of downpayment and closing costs assistance. Funds can only be used to provide down payment assistance to enable low-income renters with household incomes at or below 80 percent of the area median to purchase their first home. HOME ADDI awards will be made to administering agencies who will make loans to approximately 80 eligible buyers. A maximum of \$10,000 is awarded to eligible first-time homebuyers.

- DHCD may make up to \$1.5 million available to organizations seeking to preserve foreclosed properties as either rental or ownership opportunities for HOME-eligible occupants. The disbursement of HOME funds for this purpose will be made on a rolling basis.

Housing Opportunities for Persons with AIDS (HOPWA)

Expected federal FY 2008 Funding: \$173,000

Administering Agency: MDPH HIV/AIDS Bureau (617) 624-5330

The Massachusetts Department of Public Health (MDPH), the state's administering agency for HOPWA funds, uses HOPWA in conjunction with state dollars to fund technical assistance services for HIV/AIDS housing programs and special projects for several housing programs. The agencies receiving funding to provide these services were selected during a competitive procurement process that takes place every seven to nine years. The HIV/AIDS Bureau selects agencies to be supported with its allocation of HOPWA dollars by considering those which are geographically located outside HOPWA Eligible Metropolitan Statistical Areas (EMSAs). Services that will be supported by HOPWA funds are described below.

AIDS Housing Corporation-Technical Assistance

AIDS Housing Corporation (AHC) offers technical assistance services to agencies providing housing for people living with HIV/AIDS. Services funded with state HOPWA dollars include program support (one-on-one technical assistance), needs assessment, program evaluation, and training services. AHC also provides technical assistance to funders of HIV/AIDS housing services. AHC assists agencies with establishing and updating operational policies and procedures, understanding and maintaining compliance with funding regulations, developing tenant selection policies, and assuring compliance with standards of care.

Health and Educational Services-Serenity House

Serenity House (Topsfield, MA) provides housing and supportive services to 12 income-eligible single men and women living with HIV/AIDS who need a range of supportive services. HOPWA funds were used to assist the program with increased facility operating costs.

Cambridge Cares About AIDS-RUAH House

RUAH House (Cambridge, MA) provides housing and supportive services to 7 income-eligible single women living with HIV/AIDS who require intensive supportive services. HOPWA funds were used this year to assist the program with increased facility operating costs.

Emergency Shelter Grants (ESG)

***Expected state funding from FFY 2006 Funding to be used in SFY08, approximately:
\$ 2,562,082***

Administering Agency: EOHHS, Department of Transitional Assistance (617) 348-5936

The Department of Transitional Assistance, within the Executive Office of Health and Human Services (EOHHS), administers the distribution of federal Emergency Shelter Grant (ESG) funds provided to the state for the purpose of assisting homeless individuals and those in danger of becoming homeless in communities across the Commonwealth. ESG supports provision of the most basic shelter, services, and assessment efforts including emergency shelter, case management support for people experiencing homelessness, tenancy preservation programs, other homelessness prevention services, substance abuse counseling, housing assistance, and services to homeless ex-offenders, battered women and veterans. Funding can also be used to improve the quality and quantity of shelter facilities, to meet the costs of operating the shelters, and to provide assessment and transitional services to homeless persons.

Administered by the U.S. Department of Housing and Urban Development as a block grant program, ESG has been used to expand shelter capacity and enhance the availability of services for homeless individuals and families. Requiring a dollar-for-dollar match of the federal share, ESG funds are available to states, metropolitan cities, urban counties, and territories.

FY 2008 Action Plan

Approximately 8,000 to 9,000 individuals and families were served during state Fiscal Year 2007 through the distribution of approximately \$2,503,000 in the Commonwealth's ESG allocation.

Federal Resources

Other Federal Financial Resources

Community Services Block Grant (CSBG)

Expected FY 2008 Funding: approximately \$15,636,705

Administering Agency: DHCD, Division of Community Services (617) 573-1400

CSBG provides funding for an array of services and activities to support the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals to become self-sufficient. The federal government annually appropriates CSBG funds to the state, which DHCD allocates to 24 community-based nonprofit community action agencies (CAAs). CAAs use CSBG funds to plan and implement a wide range of social service programs such as self-sufficiency, housing assistance, child care, youth and family development, teen pregnancy prevention, elderly services, educational programs, emergency services, income management, employment training, energy assistance, domestic violence prevention, health services, rural transportation, small business development, and nutrition assistance.

Within CSBG, a Special Projects program, funded with a five percent set aside (\$781,835), authorizes the Director of DHCD to support a variety of eligible and innovative anti-poverty and self-sufficiency initiatives at her discretion. During fiscal year 2008, the Division of Community Services will identify several priority categories for funding, and awards will be made on a rolling basis.

Housing Choice Voucher Program (Section 8)

Expected CY 2008 Funding: \$217,000,000

Administering Agency: DHCD, Division of Public Housing & Rental Assistance (617) 573-1150

Massachusetts receives funding from the federal government for several types of Section 8 rental assistance. The bulk of these funds are provided under the Section 8 Housing Choice Voucher Program (HCVP) administered statewide by DHCD and 8 regional non-profit organizations. A percentage of DHCD's HCVP portfolio (limited by federal regulation to a maximum of 20% of HCVP budget authority) can be dedicated to the Section 8 Project-Based Voucher (PBV) Program. This program permits long term Section 8 contracts for existing, recently rehabilitated or newly constructed rental housing. An additional \$22,960,000 represents rental assistance tied to specific projects under the Section 8 New Construction, Moderate and Substantial Rehabilitation Programs, a program no longer funded by Congress (with the exception of the Section 8 SRO Moderated Rehabilitation program tied to the McKinney program discussed below.)

Approximately 130 local housing authorities also administer the Section 8 Housing Choice Voucher Program with federal funds that are allocated directly to them. A small number of these agencies also dedicate a percentage of their HCVP funds to the project-based voucher program. Their funding is not included in this total.

Low Income Home Energy Assistance Program (LIHEAP)

Expected FY 2008 Funding: approximately \$81,820,482

Administering Agency: DHCD, Division of Community Services (617) 573-1400

DHCD's Division of Community Services administers approximately \$81 million annually to assist low-income households in meeting the high costs of home heating. Approximately 143,000 households will be assisted in federal FY 2008. Within the LIHEAP funds, \$8.5 million will be set aside in FY 2008 for the Heating Emergency Assistance Retrofit Task Weatherization Assistance Program (HEARTWAP). These funds provide for a comprehensive heating system repair and replacement program for low-income (LIHEAP-eligible) households. This emergency-based program will serve approximately 12,000 households between October 1, 2007 and September 30, 2008.

A network of local sub-grantee agencies, covering every community in the Commonwealth, manages these programs, which help maintain affordable housing by reducing energy costs for low-income residents.

Low Income Housing Tax Credits (LIHTC)

Expected FY 2008 Funding: \$12,900,000

Administering Agency: DHCD, Division of Housing Development (617) 573-1300

The LIHTC program, under which investors receive a stream of credits against their federal taxes in exchange for providing funds for low income housing, supports the construction or acquisition and substantial rehabilitation of low-income family housing, as well as special needs housing and low-income housing preservation. At least 20 percent of the units must be reserved for and made affordable to persons with incomes 50 percent or less than the area median gross income *or* at least 40 percent of the units must be made affordable for persons with incomes 60 percent or less than the area median income. DHCD also requires that sponsors reserve 10 percent of the total number of units for persons or families earning less than 30 percent of AMI. DHCD expects to create or preserve 1,400 units of housing with tax credits allocated in calendar year 2008. DHCD has identified tax credit priorities in harmony with the housing priorities identified in the 2005 Consolidated Plan. In the 2008 Qualified Allocation Plan, provision will continue to be made to give consideration to projects that fulfill several Consolidated Plan priorities, including:

- expansion of the supply of housing affordable to a broad range of incomes
- expansion of the supply of housing designed and constructed with appropriate elements of sustainability.
- preservation of affordable housing developments at risk of expiring use and Section 8 opt-out
- provision of housing opportunities for formerly homeless individuals and families
- linking affordable housing with plans to help residents access services
- creation of special needs housing, including assisted housing for the elderly

DHCD holds two competitive funding rounds each year. For calendar year 2008, we expect that applications for the first and second rounds will be due in February 2008 and September 2008, respectively.

Low Income Weatherization Assistance Program (WAP)

Expected FY 2008 Funding: approximately \$6,000,000

Administering Agency: DHCD, Division of Community Services (617) 573-1400

The U.S. Department of Energy's Weatherization Assistance Program provides funds for weatherization improvements in residential units occupied by low income persons. Weatherization improvements include air sealing, attic and/or sidewall insulation, weather-stripping, and minor repairs associated with the weatherization work. The conservation services provided will reduce the average household's heating cost by about 23 percent. DHCD's Community Services

Division, the administering agency, expects that its FY 2008 allocation of \$6 million will provide comprehensive energy conservation retrofit services to an expected 2,500 low-income households. The FY 2008 program year runs from April 1, 2008 to March 31, 2009.

McKinney Act Resources

Expected FY 2008 Funding: \$49,006,274

Funding to the State EOHHS DTA for the Balance of State Continuum of Care is expected to be approximately \$8.5 million

Lead Agency: EOHHS, Department of Transitional Assistance (617) 348-5936

The Commonwealth of Massachusetts operates a wide variety of transitional and permanent Supportive Housing and Shelter Plus Care programs with federal McKinney funding for homeless families and individuals with disabilities. The Department of Transitional Assistance (DTA), the Executive Office of Health and Human Services (EOHHS) and the Department of Housing and Community Development (DHCD), together with numerous community-based organizations, provide housing and support services to meet the critical housing and health needs of our citizens with disabilities.

Emergency Service Grants covered by the Consolidated Plan and described above are considered a component of the McKinney Homeless Resources.

Each of the Commonwealth's Continuum of Care submits an annual CoC application to HUD for Homeless Assistance Programs. The following are the eligible activities for which a CoC may apply:

- **Supportive Housing Demonstration Program (SHDP)**: SHDP was created to develop and support innovative approaches to combining housing and supportive services for homeless individuals and families, with an emphasis on those with special needs. The program was authorized by the Stewart B. McKinney Homeless Assistance Act of 1987. The program was renamed the Supportive Housing Program, and became permanent upon enactment of the Housing and Community Development Act of 1992. The program provides transitional housing for individuals and families and permanent housing for handicapped homeless persons. The transitional program enables homeless individuals who previously resided in shelters or other temporary residential settings to achieve independent living.
 - **Transitional Housing (TH)**: A component of SHDP, TH provides clients with up to, but no more than, 24 months in a transitional housing facility, during which time they are encouraged and supported in their efforts to regain permanent housing. Recipients of TH grants receive advances for housing acquisition, rehabilitation, and, in limited instances, new construction, and/or may receive 5-year grant awards for program operations and supportive services. Both types of assistance are subject to matching fund requirements and stipulate that grant recipients must provide housing and support services for a minimum of 10 years (20 years for the earliest projects). The Balance of State Continuum of Care currently provides 63 units of Transitional Housing under this component.
 - **Permanent Housing (PH)**: A component of SHDP, PH provides independent living for homeless individuals with a chronic disability. Often an alternative to institutionalization, the PH program has funded projects to provide community-based, long-term housing and supportive services. Recipients of SHDP PH grants were required to integrate the housing into a neighborhood setting and to operate a

project for at least 10 years (20 years for the earliest projects). Like TH projects, PH projects have been subject to matching fund requirements. The majority of the Balance of State Continuum of Care funds are used to obtain permanent supported housing projects that together with the Shelter Plus Care component below fund 500 units of permanent housing with supportive services.

- Shelter Plus Care (SPC): The SPC program targets the hardest to serve homeless population, those with mental and physical disabilities who are living on the street or in shelters. SPC is a competitive grant program that provides rental assistance funded by HUD that is to be matched with an equal or greater dollar value of supportive services from other Federal, State, local, or private funding sources. Four different delivery mechanisms include sponsor-, project-, and tenant-based assistance, in addition to support for Section 8 SRO facilities in the form of an operating expense subsidy. Assistance provided to projects is available for 10 years; assistance to sponsors and directly to tenants is available for 5 years. Three rounds of SPC grants have been awarded by HUD and existing programs are now renewed annually through the Super NOFA process.
- Section 8 Moderate Rehabilitation for Single Room Occupancy Dwellings (SRO): The purpose of the program is to provide funding to rehabilitate existing structures to create SRO housing for homeless individuals of very low income. Funds are made available through a national competition. SRO units are designed to allow homeless individuals to obtain permanent housing in a setting that combines communal living with a reasonable amount of privacy. Section 8 subsidy payments fund a project for a period of 10 years in the form of rental assistance in amounts equal to the rent, including utilities, minus the portion of rent payable by the tenants. The rental assistance funds the repayment of acquisition and rehabilitation costs necessary to create safe and decent housing.

The program targets homeless persons capable of independent living, including those afflicted by mental illness, physical handicaps, or substance abuse. Awarded as a competitive grant, the SRO program's selection criteria encourage, but do not require, that recipients integrate supportive services into the housing package.

- Supplemental Assistance to Facilities to Assist the Homeless (SAFAH): Available as a supplement to other McKinney programs, SAFAH assistance supports innovative homeless initiatives. Competitively awarded, assistance was available for creating new facilities and upgrading existing facilities, including emergency, transitional and permanent housing, supportive services and for operating expenses. Depending on its type, assistance remained available for 1 to 3 years.

New Markets Tax Credit (NMTC)

Enacted by Congress in December 2000, the NMTC program authorizes tax credits for the financing of economic development in low-income communities. The tax credits are available to investors in community development entities, which will use the proceeds to make loans and investments in businesses located in low income communities. The credits can bridge financing gaps; create new partnerships among investors, communities, businesses, and government; and generate jobs, services and revitalization in distressed areas, in much the same way that LIHTCs did for affordable housing. In the most recent funding round (2007), the Massachusetts Health and Educational Facilities Authority received \$66 million in funding and several other multi-state entities that do business in Massachusetts but are not located here received funding as well. Since

the creation of this program, 8 entities based in Massachusetts have been awarded at total of \$628 million of New Markets Tax Credit allocation, including Boston Community Capital, the Rockland Trust, and the Massachusetts Housing Investment Corporation.

Section 202 Elderly Housing

Funds for this program are awarded directly to project sponsors on the basis of a competition for a regional allocation of funds. In recent years, 5-6 projects have been awarded funds under this highly competitive program, enabling them to create around 130 new units per year (more in the latest round).

Section 8 for Homeownership Initiative

Under the Section 8 Homeownership Initiative, rental assistance recipients are allowed to use their vouchers to qualify for a mortgage. Participants must earn a minimum of \$10,300 per year, work full-time, and be purchasing a single-family home. This Section 8 initiative is administered by a very small number of local housing authorities throughout the Commonwealth.

Section 811 Special Needs Housing

Funds for this program are awarded directly to project sponsors on the basis of a competition for a regional allocation of funds. In recent years, 4-6 projects have been awarded funds under this highly competitive program, enabling them to create, on average 30 new units per year.

USDA Rural Development

Administering Agency: USDA Rural Development State Office, Amherst, MA (413) 253-4302

The U.S. Department of Agriculture (USDA) Rural Development mission area was created in 1994 as a result of the USDA reorganization. Rural Development forges partnerships with rural communities, funding projects that bring housing, community facilities, utilities and other essential services. USDA Rural Development offers programs in three areas of community development: Housing, Utilities and Business. USDA Rural Development's mission is to increase economic opportunity and improve the quality of life for all rural Americans.

Rural Housing Programs:

Rural Housing Programs help finance safe, sanitary housing for citizens living in rural areas of low- to moderate-income levels in rural communities with populations of under 10,000 (however, certain communities with up to 20,000 may be eligible). Programs consist of single family homeownership, development of multiple family/elderly rental units, and home improvement for existing homeowners.

- Single Family Homeownership: There are two (2) types of single-family homeownership loans: direct or guaranteed. The purpose is to provide financing with little or no down payment at favorable rates and terms either through a direct loan from Rural Development or a guaranteed loan through a private financial institution. Over \$16.07 million was funded in Fiscal Year 2007 providing 88 units of single family housing. For Fiscal Year 2008 (10/1/07-9/30/08), funding levels should be similar to FY 2007 but with greater emphasis on the SFH Guaranteed fund utilization. Estimated funding is as follows:
 - Over \$8 million will be available for Section 502 direct loans with the goal to utilize 100% of funds.
 - Over \$10 million for Rural Housing guaranteed loans with the goal to utilize as a minimum, an equal expenditure to the Direct SFH program.

- Multifamily Housing Programs (MFH): MFH provides for the development, repair and subsidies of low income rental housing complexes. There are currently 63 elderly and non-elderly apartment complexes representing 1,996 units of subsidized housing. For federal FY 2008, funding levels are estimated as follows:
 - A national allocation of \$65 million in Direct Section 515 funding.
 - A national allocation of \$100 million for Guaranteed Section 538 Rural Rental Housing loan funds.
- Home Improvement Loans: Home improvement loans and grants help elderly and low income homeowners remove health and safety hazards, such as failing septic systems, contaminated wells and leaking roofs, to name a few. Over \$332,000 was funded in Fiscal Year 2007 providing repairs and renovation to 58 units of single family housing. For federal FY 2008, funding levels are expected to be as follows:
 - \$139,000 for Section 504 single-family repair loans and \$144,000 for Section 504 single-family grants.
 - Housing Preservation Grant (HPG) funding will also be available in an estimated amount of \$50,000 for use by eligible non-profit organizations and municipal entities to fund a repair or rehabilitation program on a local level.

The MFH and HPG programs are formally announced through a Notice of Funding Availability (NOFA). All of these programs strongly encourage and sometimes require leveraging of funds with other organizations.

Our MFH portfolio continues to age and for many properties the restrictive use restrictions have or will be expiring. To address this, the agency has implemented the Multi-Family Housing Preservation and Revitalization Program. The purpose of this program is to preserve the property itself and the affordability of the housing for an extended period of time through the use of various restructuring tools. This program received considerable interest in FY 2007 and is expected to be available again in FY 2008.

Community Facilities Program:

Rural Development can make direct or guaranteed Community Facility loans and grants in rural towns with a population of up to 20,000. These loans and grants can be used for essential community facilities such as health care clinics, hospitals, municipal facilities, and adult and child day care facilities. Funding may also be provided for fire and rescue vehicles and public safety equipment. Eligibility is available to towns, municipal districts and not-for-profit organizations with \$37.772 million in assistance provided in FY 2007. For Fiscal Year 2008, funding levels are expected to be as follows:

- Over \$12.5 million will be available for Community Facilities Direct Loans, Guaranteed Loans and Grants

Rural Utilities Programs:

The Rural Utilities Program promotes economic development in rural areas of 10,000 persons or less through the Water and Wastewater Loan and Grant Program. Eligible projects include public water and waste water treatment facilities. Funding may also be provided for solid waste management, telecommunications and electrical generating facilities.

Eligibility is available to towns, municipal districts and not for profit organizations with \$14.2 million in assistance provided in FY 2007. For federal FY 2008, funding levels are expected to be as follows:

- Over \$9.3 million will be available for direct loans, Guaranteed Loans and Grants..

The Rural Utilities Program also offers a Distance Learning and Telemedicine Loan and Grant Program. The Distance Learning and Telemedicine (DLT) Program is specifically designed to meet the educational and health care needs of rural America through the use of advanced telecommunications technologies. With DLT loans, grants, and loan-grant combinations, RUS helps rural communities enjoy enhanced educational opportunities, improved health care services and greater economic development.

The DLT Program provides three kinds of financial assistance: 1.) 100% grant; 2.) 100% loan; 3.) combination loan-grant. The minimum amount of a grant is \$50,000. The maximum amount of a grant is \$500,000. Amounts available under the DLT Grant, Loan and Combination Loan-Grant Programs for FY 2008 should be confirmed with the Rural Development office.

Rural Business Programs:

The Rural Business Programs provides loans and grants to businesses located in rural communities (using Bureau of Census rural/urban definitions) in order to improve, develop and finance industry and employment. The goal is to improve the economic climate in rural communities through the Business Guarantee Program, the Rural Business Enterprise Grants (RBEG), Cooperative Services, the Value-Added Agricultural Product Market Development Grants (VADG) and the Renewable Energy & Efficiency Grant program. In FY 2007 over 1,142 jobs were created and/or preserved by assisting 22 businesses with over \$2.559 million in financial assistance.

- Over \$8.6 million will be available for direct loans, Guaranteed Loans and Grants in FY 2008.

State Resources

Financial Resources from Capital* and Operating Budgets

Affordable Housing Trust Fund (AHTF) *

Expected FY 2008 Funding: \$25,000,000

Administering Agency: MassHousing, under contract to DHCD (617) 854-1000

Established by the Legislature in 2000, the AHTF is designed to provide resources for the creation or preservation of affordable housing throughout the state for households whose incomes are not more than 110 percent of median income. The AHTF was funded at \$20,000,000 per year for three years (State Fiscal Years 2001 – 2003) from the state's General Fund. Funding for FY 2003 was later reduced to \$12.5 million. During the first two fiscal years of the program, \$10 million in AHTF funding was used to support the modernization of the state's public housing portfolio. In 2003, the Legislature provided for the capitalization of the AHTF via bond authorizations. The budget language authorized bond issues totaling \$70,000,000 to capitalize the fund over a five-year period (FY 2004 – FY 2008). In FY 2004 and 2005, the AHTF received \$20 million per year in bond cap to fund the program. An additional \$2 million appropriation by the Legislature as part of the FY 2005 budget brought the total state commitment to the program to \$22 million. In 2005, an additional \$100 million was re-authorized for the AHTF. In FY08, MassHousing's Board approved a financial commitment to the Affordable Housing Trust Fund in an amount of \$20,000,000.

To date, 224 developments have received approval for awards totaling more than \$145 million. This represents a total of 8,977 units of which 7,388 will be affordable. Preference is given to developments that produce new affordable housing units; create units affordable to households with a range of incomes, with a special emphasis on units for households with incomes below 80 percent of the area's median income; or include affordable units for families or for the disabled and the homeless. Preference is also given to projects that propose the longest term of affordability; are sponsored by non-profit organizations; or use private funding sources.

Capital Improvement and Preservation Fund (CIPF) *

Expected FY 2008 Funding: \$4,000,000

Administering Agency: DHCD, Division of Housing Development (617) 573-1300

CIPF was created as part of the 1998 housing bond bill, which authorized DHCD to use \$55 million (\$20 million in 1998 and \$35 million in 2002) in general obligation bond funds for the purpose of preserving and improving existing privately-owned, state or federally assisted housing. CIPF may only be used in connection with housing where the prepayment of a state or federally assisted mortgage would lead to the termination of its affordability restrictions, or housing for which a project-based rental assistance contract is expiring or has expired. The CIPF program provides loans to eligible projects sponsored and developed by community development corporations, for-profit or non-profit corporations.

The CIPF program to-date has awarded over \$31 million in its efforts to support the acquisition, preservation and rehabilitation of 2,725 units of affordable housing throughout the Commonwealth of Massachusetts. During 2008, DHCD anticipates spending approximately \$4 million, depending on the availability of bond spending allocations. All CIPF funded projects must remain affordable for at least 40 years. In addition, a minimum of 50 percent of the total number of units must be reserved for occupancy by low or moderate-income persons and families.

and a minimum of 5 percent of the total number of units must be reserved for occupancy by very low-income households.

Chapter 707 Rental Assistance

Department of Mental Health (DMH) Rental Subsidy Program

Expected FY 2008 Funding: \$3,500,000

Administering Agency: DHCD (with DMH) Division of Public Housing & Rental Assistance (617) 573-1150

DHCD has a state funded rental assistance program for Department of Mental Health (DMH) consumers. DHCD and DMH work collaboratively to establish program policies and allocate program resources.

Service Provider agencies under contract with DMH lease privately owned rental property. The Service Provider is responsible for selecting the consumers that will reside in the leased property and for coordinating the provision of supportive services to the consumers.

DHCD contracts with Local Housing Agencies (LHAs) to administer the program on the local level. LHAs determine consumer rent shares and subsidy amounts. Consumers pay 30 to 35 percent of adjusted monthly income for rent. The LHA pays the difference (subsidy payment) directly to the property owner.

Commercial Area Transit Node Housing Program (CATNHP) *

Expected FY 2008 Funding: \$5,000,000

Administering Agency: DHCD, Division of Housing Development (617) 573-1300

CATNHP is a state funded bond program available to municipalities, non-profit and for-profit sponsors to support rental and first-time homebuyer housing through new construction or acquisition and rehabilitation. Municipalities, non-profit and for-profit developers are eligible to apply for CATNHP funds. DHCD will offer assistance through an initial demonstration of CATNHP funding to housing projects, within neighborhood commercial areas and in proximity to public transit nodes. Projects must be no larger than 24 units in size, and in accordance with the enabling statute, not less than 51 percent of the units assisted by the program must benefit persons earning not more than 80 percent of the area median income.

Community-Based Housing Program (CBH)*

Expected FY 2008 Funding: \$4,000,000

Administering Agency: DHCD Division of Housing Development (617) 573-1300

In 2004, the state Legislature authorized \$25 million in bond funds for a new housing program to serve disabled adults who are not clients of the Department of Mental Health or the Department of Mental Retardation (and therefore not FCF eligible). Program guidelines have been developed and funds have been made available to eligible sponsors (non-profit groups) since the Department's February 2005 rental round. Community-Based Housing funds are used as deferred 30-year mortgage loans to cover a maximum of 50 percent of the total development cost of housing developments. In FY 2006, \$2.5 million in bond cap was allocated to this program; in 2007, \$5 million was allocated; in 2008, \$4 million will be allocated.

Community Development Action Grant (CDAG) *

Expected FY 2008 Funding: \$12,415,000

Administering Agency: DHCD, Division of Community Services (617) 573-1400

The Community Development Action Grant Program (CDAG) provides funding for publicly owned or managed projects that generate significant economic development, long-term employment opportunities and increased affordable housing production for low- and moderate-income persons in deteriorated and disinvested neighborhoods. CDAG can be used in a variety of ways, including improvements to public infrastructure such as water and sewer lines and utility distribution systems, rehabilitation or reconstruction of publicly owned buildings, facades or other structures, streetscape and roadway improvements, site preparation, demolition of existing structures, and relocation assistance. All CDAG-assisted projects must be publicly owned or managed for a period of not less than 30 years. In FY 2008, DHCD will expend approximately \$12,415,000 in CDAG grant awards to initiate 9 new projects and complete 13 existing projects in communities, and in FY 2009 expects to expend approximately \$13.7 million more. All cities and towns in the Commonwealth are eligible.

Emergency Assistance Family Shelters & Individual Emergency Shelters

Expected FY 2008 Funding: \$ 119,061,470

Administering Agency: EOHHS, Department of Transitional Assistance

DTA provides homeless beds and services through two major programs: the Emergency Assistance Family Shelter Program and the Individual Shelter Program. The FY 2008 State Operating Budget included \$83.12 million for family shelters and \$35.9 million for its individual shelters under the Department of Transitional Assistance (DTA).

- Emergency Assistance Family Shelter Program: In FY 2008, DTA expects to receive \$83,121,534 million for its family shelter program. This program is the Commonwealth's basic safety net program for homeless families. The program provides a mix of shelter units and support services. It serves families with incomes under \$20,917 per year or 130 percent of the federal poverty level. (Numbers reflect maximum incomes for a family of three.) To qualify, families cannot have assets worth more than \$2,500.
- Shelter Units & Capacity: Families qualify for family shelter units if they have been evicted for certain reasons; have been displaced due to a natural disaster; live in unsafe conditions; or live in unsanitary conditions. (See CMR 106 Chapter 309 for details.) In October of 2007, the Department funded approximately 1,859 family shelter units. This reflects the caseload needs as of October 2007. This number could change by the end of FY 2008. Below is the breakdown of the types of shelter units funded through DTA.
 - Congregate Shelter 52%
 - Scattered Site and Housing Demonstration Shelters 34%
 - Assessment Centers 3%
 - Substance Abuse Shelters 3%
 - Transitional Shelters 8%

In FY 2006, legislative mandates changed eligibility standards from 100% to 130% of federal poverty level. In addition, the new mandates included presumptive eligibility which allows a homeless family who appears to be eligible, but lacks verifications, to be placed in shelter for

up to 30 days. The resulting actions have increased family shelter caseload in FY 2006, FY 2007 and FY 2008 from previous years.

- Family Shelter Services: Under the congregate shelter system, shelter providers work with the families to help them to become self-sufficient. Staff and families work together to achieve the following: ensure that eligible families are receiving benefits; search for permanent employment; coordinate child care benefits and transportation services; and ensure that housing search services are provided through the Housing Assistance Program. (See description of the Housing Assistance Program below.)
- Family Shelter Housing Search Services: The Department funds the Housing Assistance Program (HAP) that provides services to two different types of clients: EA eligible families who are at-risk of homelessness and EA eligible families who live in DTA homeless shelters. For families living in DTA shelters HAP provides comprehensive housing search services. The HAP system has 11 vendors that cover the state system of DTA funded shelters.
- Individual Homeless Shelters: The Homeless Individual appropriation provides shelter capacity for 2,847 men and women throughout the Commonwealth. Also provided are day programs, health care, housing search and a food bank. In FY 2008, the Homeless Individual appropriation is funded at \$35,939,936 million.

Facilities Consolidation Fund (FCF)*

Expected FY 2008 Funding: \$6,000,000

Administering Agency: DHCD, Division of Housing Development (617) 573-1300

FCF addresses the needs of clients of the Department of Mental Health and the Department of Mental Retardation who are being deinstitutionalized, currently living in inappropriate or unsafe housing, or are presently homeless. FCF funds are used as deferred 30-year mortgage loans to cover a maximum of 50 percent of the total development cost of housing projects. Since 1993, DHCD has committed over \$41 million to projects with nearly 1,130 community-based units created or preserved. In 2004, the state legislature authorized an additional \$100 million in FCF bonds. In FY 2007, the Department spent \$7.5 million in FCF. FY 2008 plans call for an additional \$6 million in bond cap.

Home Modification Loan Program for Individuals with Disabilities*

Expected FY 2008 Funding: \$4,000,000

Administering Agency: MRC with CEDAC, under contract to DHCD (617) 204-3600

The Home Modification Loan Program (HMLP) is a program established by the state legislature to provide loans for access modifications. The loans are designed for modifications to the principal residence of elders, adults with disabilities and families with children with disabilities. The intent of the program is to modify homes for improved access to allow people to continue to live independently in their communities. Home modification loans are made available in amounts from \$1,000 to \$25,000. The funds are available through 6 regional provider agencies. The HMLP offers two types of loans, deferred payment loans and amortizing loans, dependent upon the income of eligible households. All loans are secured by a promissory note and a mortgage lien.

Housing Consumer Education Centers (HCEC)

Expected FY 2008 Funding: \$1,600,000

***Administering Agency, DHCD, Division of Public Housing and Rental Assistance
(617) 573-1150***

The HCECs are funded by state appropriations and operated by non-profit housing agencies across the Commonwealth. The goal of the HCEC program is to provide information and education for housing consumers and providers through regionally-specific and statewide coordinated efforts in order to increase housing stability, reduce the incidences of displacement and homelessness, and to strengthen the interdependent network of tenants, landlords, and homeowners across the Commonwealth. HCEC services are targeted to housing consumers, including tenants, rental property owners, homeowners, and potential tenants and homebuyers. The HCECs accomplish this primarily through telephone or walk-in contacts and by providing information and referral services, trainings and workshops. Statewide, HCECs serve over 40,000 people per year. In FY07, additional resources (\$486,400 including program-specific staffing) have been appropriated for a pilot program to enhance services to homeless and at-risk families through leveraged resources and case management support to assist eligible families in moving out of shelter and becoming stabilized in permanent housing.

Housing Innovations Fund (HIF)*

Expected FY 2008 Funding: \$10,000,000

Administering Agency: DHCD, Division of Housing Development (617) 573-1300

The State Legislature authorized \$50 million (HIF V) in 2004 for the creation and retention of alternative forms of housing (e.g., single room occupancy housing; transitional housing for the homeless; limited equity cooperative housing; battered women's shelters and transitional housing for battered women and their families; employer assisted housing; housing in receivership; and lease-to-purchase housing).

HIF provides permanent, deferred payment loans for an initial term of 30 years. Funds may cover up to 50 percent of a project's Total Development Cost. At least 50 percent of the units in HIF projects must be reserved for low-income households, with half of those reserved for very-low income individuals. In state FY 2007, \$16 million in HIF IV was committed to projects with over 600 units of affordable housing for eligible populations.

Housing Stabilization Fund (HSF) *

Expected FY 2008 Funding: \$20,000,000

Administering Agency: DHCD, Division of Housing Development (617) 573-1300

The Housing Stabilization Fund, created in 1993 and further funded in 1998, 2002, and 2005 bond bills, supports comprehensive neighborhood redevelopment efforts and the preservation and rehabilitation of affordable housing. In FY 2008, DHCD anticipates spending approximately \$20 million, depending on the availability of bond spending allocations. The program emphasizes strong community involvement in the design and implementation of efforts that will respond to local priorities for neighborhood improvement and reinvestment. Although DHCD gives priority to applicants proposing to develop and produce new units, the Department remains committed to the goal of preserving and maintaining existing affordable rental stock, and to that end, HSF may be used for either purpose. HSF specifically targets the production or preservation of housing for people age 60 and over and for families and individuals with incomes at or below 30 percent of area median. The Housing Stabilization Fund program to-date has expended approximately \$165 million in its efforts to support the acquisition, rehabilitation or new construction of over 6700 units of affordable housing.

Eligible applicants for HSF are for-profit and non-profit developers, local housing authorities or municipal entities in cooperation with for-profit or non-profit developers. The minimum project size is five units. Maximum funding amount per application is \$750,000. The maximum per HSF-assisted unit is \$50,000 in HOME Program entitlement/HOME consortium communities and \$65,000 elsewhere. Applicants may seek HSF funds either as a single public source or in combination with other public funds, such as Low-Income Housing Tax Credits, Affordable Housing Trust funds, Housing Innovation funds, Facilities Consolidation funds, local HOME funds, etc., but, presently, they generally may not be combined with DHCD HOME funds.

Local Housing Authority Transitional Housing Program (LHATHP)

Expected FY 2008 Funding: \$1,700,000

Administering Agency: DHCD Division of Public Housing & Rental Assistance (617) 573-1150

In response to the Governor's initiative to reduce the number of homeless families in shelters, DHCD embarked on a joint initiative with the Department of Transitional Assistance (DTA) to re-establish a successful transitional housing model from the early 1990's, the Local Housing Authority Transitional Housing Program (LHATHP). DTA has provided DHCD with \$1.7 million annually since June 2004, to implement and administer this program which targets homeless families in DTA funded shelters that are in need of transitional housing and services. The model uses state-aided public housing units as transitional housing sites where homeless families can stay while they receive case management and support service targeted to promote self-sufficiency. Families that successfully complete the transitional stay in the program, which is between six to twelve months, are offered the opportunity to go under lease with the sponsoring housing authority, usually in the same unit the family has spent its transitional stay in. To date, eleven local housing authorities administer the LHATHP, with a total statewide transitional unit commitment of 119 units. This program has proven to be a cost effective way to provide transitional services to homeless families as well as provide permanent affordable housing to them.

MassAccess Housing Registry

Expected FY 2008 Funding: \$89,000

Administering Agency: Massachusetts Rehabilitation Commission (MRC) (617) 204-3600

Through a nonprofit vendor, Citizens Housing and Planning (CHAPA), MRC administers the Mass Access Housing Registry. The Housing Registry is an on-line computer database listing accessible and adaptable housing statewide at www.massaccesshousingregistry.org. The system keeps track of available units (an average of 60 is available at any one time) and disseminates this information on-line as well as through the Independent Living Centers (above). The system has been very successful in assisting people with disabilities including homeless persons and families to locate appropriate housing. In addition to the listings of accessible housing, the site provides important housing search information and updates such as on open Section 8 lists.

Massachusetts Downtown Initiative (MDI)

Expected FY 2008 Funding: \$90,000

Administering Agency: DHCD, Division of Community Services (617) 573-1400

DHCD's MDI assistance efforts are designed to foster downtown revitalization as an integral part of community development. In order to meet diverse needs, the MDI provides: 1) direct technical assistance to communities, including site visits and consultant assistance (approximately seven grant awards for consultant assistance); 2) a comprehensive Web site addressing topics such as

forming a downtown organization, adopting design guidelines, upper story development, and undertaking a façade restoration effort; 3) a workshop series addressing topics relating to downtown revitalization; and 4) assistance in the establishment of Business Improvement Districts.

Public Housing Modernization and Development *

Expected FY 2007 Funding: \$90,000,000

Administering Agency: DHCD, Division of Public Housing & Rental Assistance (617) 573-1150

DHCD has approximately \$90 million in FY 2008, including \$5,000,000 from the Affordable Housing Trust Fund, for capital projects at state-supported public housing. DHCD expects to fund about 611 capital improvement projects to protect the health and safety of residents and to preserve and, where appropriate, modernize the state's portfolio of affordable public housing. In FY 2008, DHCD will spend approximately \$4.8 million of those funds, primarily in cooperation with the Departments of Mental Health and Mental Retardation, to construct new facilities for persons with special needs.

MassDEP (formerly Department of Environmental Protection) Programs *

Expected FY 2008 Funding: \$500,000,000 (approximate)

Administering Agency: MassDEP, Division of Municipal Services (617) 292-5779

MassDEP, in conjunction with the Massachusetts Water Pollution Abatement Trust, administers two State Revolving Funds (SRF) for water pollution abatement projects and drinking water protection projects.

- Clean Water SRF: The Clean Water SRF provides financial assistance for the planning, design, and construction of water pollution abatement projects that will assist municipalities in complying with federal and state water quality requirements. The assistance takes the form of low interest loans. The interest rate for projects approved in calendar year 2008 will be 2 percent. Eligible activities include: wastewater treatment facilities (construction and upgrade), infiltration/inflow correction, wastewater collection systems, control of combined sewer overflows, community programs for upgrading septic systems, storm water remediation, non-point source projects and land acquisition. In recent years the program has operated with \$350 to \$400 million per year, financing 40 to 50 projects annually. Communities must apply and be rated by DEP on a priority ranking system, which emphasizes demonstrable water quality benefits, elimination or mitigation of public health risks, and achieving or maintaining compliance with water pollution control requirements.
- Drinking Water SRF: The Drinking Water SRF provides assistance to Public Water Suppliers for construction of projects needed to maintain compliance or further the public health goals and requirements of the state drinking water regulations and the federal Safe Drinking Water Act. The assistance takes the form of low interest loans. The interest rate for projects approved in calendar year 2008 will be 2 percent. Eligible activities include the construction or upgrade of drinking water treatment facilities, replacement of aging transmission and distribution pipes to prevent contamination, construction and rehabilitation of water storage facilities, and projects to rehabilitate or develop water sources to replace contaminated sources. This program currently operates at a level of approximately \$130 million per year, financing 30 to 40 projects annually. Public Water Suppliers must apply and be rated by DEP on a priority ranking system that assesses the

severity of the public health risks to be mitigated and the effectiveness of the project in achieving or maintaining compliance with state and federal drinking water requirements.

Mixed Population Service Coordination Program

Expected FY 2008 Funding: \$490,401

Administering Agency: DHCD Division of Public Housing & Rental Assistance (617) 573-1150

This essential program was created to service the needs of young disabled and elderly tenants of Chapter 667 state public housing. The current funding level provides for 21 grants awarded to service coordinators to address the needs of public housing residents in 30 communities (in over 4,500 units). These coordinators assure links to critical social and health services, foster a sense of community within developments, and work to stabilize the tenancies of multi-problem and special needs residents. Individual assistance as well as group activity and programming are provided to target an aging and increasingly frail population in our developments. Service coordinators also link young disabled residents to needed services and in some cases enable better coexistence between the young and the old in these housing communities. In an average year, an estimated 3,400 people will receive services statewide.

Public Housing Operations

Expected FY 2008 Funding: \$65,141,244

Administering Agency: DHCD Division of Public Housing & Rental Assistance (617) 573-1150

Massachusetts is one of only a few states that operate a purely state-funded public housing program. Approximately 50,000 units of housing for families, the elderly and persons with disabilities are administered by 242 local housing authorities and four regional housing authorities, each with its own board of commissioners but overseen by DHCD. The units house those with incomes up to 80 percent of AMI, but the household income of the vast majority of tenants is at or below 30 percent of AMI. Residents pay 27 to 32 percent of their income for rent (depending on which utilities are included in the rent). These developments were constructed with state capital grants, and state operating subsidies are provided for those authorities that operate at a deficit.

The portfolio of state public housing units includes 32,400 units for elderly and disabled households, 15,736 units for families, and 1,879 units for individuals with special needs, primarily group homes for clients of the Department of Mental Retardation and the Department of Mental Health. The oldest units (about 12,700 of the family units) were built about 55 years ago, while the majority of the senior housing units were built in the 1960's and 1970's. Most developments are small (less than 100 units) and low to medium density (one or two stories). There are no high-rise family developments.

In FY 2008, \$60.1 million in state funding was appropriated for these subsidies. An additional supplementary budget is anticipated to cover utility cost increases.

Public Housing for Special Populations

Expected FY 2008 Funding:

Administering Agency: DHCD, Division of Public Housing & Rental Assistance (617) 573-1150

DHCD has established collaborative working relationships with state social service agencies serving special populations. Through these efforts, DHCD has forged strong links between housing authorities and local service providers that benefit public housing tenants. This integrated team approach to housing and services is essential, given shifting demographic and policy trends.

- **Supportive Senior Housing**

Expected FY 2008 Funding: \$4,189,000

Administering Agency: Executive Office of Elder Affairs (617) 727-7750

To serve the increasing number of senior citizens that are “aging in place” in public housing, Massachusetts has developed the Supportive Senior Housing Initiative, which brings some of the benefits of assisted living developments to the residents of state-funded elderly public housing. Jointly developed by DHCD and the Executive Office of Elder Affairs, the program helps seniors to “age in place” by providing access to supportive services on-site and round-the-clock supportive staff presence at their housing developments. Currently there are supportive housing sites at 42 senior public housing developments in 29 communities, reaching 4,138 units of state-aided housing throughout the Commonwealth. New funding in

- **Public Housing for Persons with Disabilities**

Expected FY 2008 Funding: (included in Public Housing Operations)

DHCD continues to have an on-going dialogue with the Department of Mental Health (DMH) around the operation of the more than 65 developments exclusively serving DMH consumers. Issues around rent structure, property up-keep and improvements, and changing service models are all being reviewed in an effort to better serve residents of these developments (built originally under MGL Chapters 689 and 167). Housing authorities will also continue to be involved in plans and programs to address homelessness. Since many disabled people prefer to receive services in their homes, DHCD will continue to support collaboration between housing authorities and human service providers, especially those funded through the Department of Mental Retardation, to address the array of issues and concerns facing public housing special needs tenants. DHCD has 153 Chapter 689 developments exclusively for DMR clients, with the capacity to serve up to 1070 clients.

DHCD has also worked with the Statewide Head Injury Program (SHIP) of the Massachusetts Rehabilitation Commission (MRC) to reprogram underutilized congregate units as shared housing for persons with head injuries. SHIP provides the necessary case management and residential/day supports in these units. Additionally, MRC provides case management services through its Turning 22 and Adult Supported Living Programs to assist consumers with Personal Care Assistance (PCA) management and accessing other supports as needed. Thus far, DHCD and MRC have worked with the Local Housing Authorities in West Springfield, Northampton and Pittsfield.

Public Works Economic Development Grant Program

The Public Works Economic Development Grant Program (PWED) is a 100% reimbursement program for the design and construction of roads, roadways, and any other transportation related projects. It is designed to assist cities and towns in their efforts to create economic development through infrastructure improvement projects. It was established in Chapter 732 of the Acts of 1981 and is funded through transportation bond bills. PWED Applications are submitted to the Executive Office of Transportation and Public Works for the Secretary’s review and approval (Massachusetts Code of Regulations (701 CMR 5). Any city or town government within the Commonwealth is eligible to apply under the provisions of the program. The requested grant amount should not exceed \$1 million except in the case of a project, as determined by the Secretary of Transportation that demonstrates significant regional benefits.

Rental Assistance Programs

Expected FY 2008 Funding: \$35,117,428 Administering Agency: DHCD, Division of Public Housing & Rental Assistance (617) 573-1150

Massachusetts Rental Voucher Program (MRVP): The Commonwealth allocated \$29,958,638 for the MRVP in FY 2008, but because of surplus funds from the last budget cycle, actual spending is likely to be \$31,617,428. The MRVP is administered on the local level by more than 125 local housing agencies and remains one of the largest state-financed rental assistance programs in the nation. Currently, there are over 7,400 MRVP subsidies under contract with local housing agencies. An MRVP applicant's net household income cannot exceed 200 percent of the federal poverty level. Households eligible for the MRVP receive either a project based voucher or mobile voucher. A project-based voucher allows an eligible household to live in a unit (the subsidy is assigned to the unit/development). If the household in such a unit chooses to relocate, the subsidy remains with the unit, and another eligible household is referred for occupancy. Project based vouchers allow the participating household to receive a subsidy based on a fixed percentage of household income (40% if the unit rent includes heat, 35% if the heat is not included).

A mobile voucher is assigned to a participant, rather than a specific unit, and allows the holder to live in private leased housing anywhere in the Commonwealth. A voucher's value depends on geographic location, income level, and household size, with the subsidy paid directly to the owner by the housing agency; the household pays the difference between the voucher value and the rent charged for the property. Although the voucher amount can vary, a tenant share is capped at 40 percent of their household income.

Alternative Housing Voucher Program (AHVP): AHVP was created in 1995 to provide transitional assistance to people under age 60 with disabilities who choose to relocate from state-aided Chapter 667 public housing or who are on the waiting list for such housing. The program was created in conjunction with a new state policy enacted at that time that allowed housing authorities to give preference in placement in Chapter 667 housing so as to achieve a mixed population of elderly households in 86.5 percent of the units and handicapped households in 13.5 percent of the Chapter 667 units. Eligibility for AHVP is similar to the eligibility criteria for the state's Chapter 667 elderly/handicapped housing. All AHVP vouchers are mobile and may be used throughout the state. This program was allocated \$3.5 million in FY 2008, which will serve approximately 400 households. Like the larger MRVP, the AHVP is administered by local housing authorities. The tenant rent share is calculated in the same manner as in the Chapter 667 program – either 25 or 30 percent of net household income, depending on whether all utilities are included in the rent.

Residential Assistance for Families in Transition Program (RAFT)

Expected FY 2008 Funding: \$5,000,000

Administering Agency: DHCD, Division of Public Housing & Rental Assistance (617) 573-1150

The Massachusetts Legislature and the Romney Administration approved legislation creating the RAFT Program in FY 2005. The program provides short term, limited financial assistance which will enable families to retain housing, obtain new housing or otherwise avoid homelessness. DHCD contracts with nine Regional Non Profit housing agencies (RNPs) to administer the program on the local level. Interested applicants must apply for assistance at one of the Housing Consumer Education Centers (HCEC) operated by one of the RNPs. A list of the HCECs is available on line at www.masshousinginfo.org. A list of the RNPs, including their service areas, is available on DHCD's web site at www.mass.gov/dhcd.

Applicants must be families who are homeless or at-risk of becoming homeless because they cannot afford housing costs without financial assistance. Program Participants must have incomes at or below 50 percent of area median income and include a dependent child or a family member with a disability. Eligible use of funds include: security deposits, first and last month's rent, utility payments, rent arrearages, transportation related expenses if necessary for employment, and other housing related expenses deemed necessary by the RNP to ensure that families moving from a shelter environment are able to obtain to their own apartment.

Soft Second Loan Program *

Expected FY 2008 Funding: \$6,950,000

Administering Agency: Massachusetts Housing Partnership (MHP) under contract to DHCD (617) 330-9955

The DHCD and MHP Soft Second Loan Program is a joint initiative of the public and private sectors to help eligible buyers purchase their first homes. During FY 2008, DHCD and MHP expect to invest \$6,950,000 in state funds to support Soft Second loans. The program is established at the local level with potential buyers working with participating lenders to determine their eligibility. The program combines a conventional first mortgage with a subsidized second mortgage to help low- and moderate-income households qualify for a mortgage and purchase a home for the first time.

Buyers obtain a bank mortgage for 77 percent of the purchase price and the SoftSecond program provides a second mortgage for 20 percent of the price. The interest on the second mortgage may be subsidized for 10 years. The public investment is secured by the junior mortgage repayable at the time of resale or transfer. The program is funded primarily from the state's operating budget. In FY 2008, the state appropriation of \$5,250,000 was supplemented with \$1,700,000 in bank grant funds because of program growth.

Tenancy Preservation Program

Expected FY 2008 Funding: \$ 1,628,767

***Administering Agencies: Housing Court Department, of the Massachusetts Trial Court
Funding by: MassHousing, DHCD, DMH, DMR, DPH, DTA, EOEA***

The Tenancy Preservation Program (TPP) is a homelessness prevention program for persons with disabilities, operating in collaboration with the Housing Court Department of the Massachusetts Trial Court. TPP functions as a neutral party to the landlord and tenant, providing clinical consultation services to the Housing Court. TPP improves the ability of the Housing Court to offer reasonable accommodation to disabled tenants.

TPP targets individuals and families, where a disability is present (e.g. mental illness, substance abuse, issues related to aging, etc.) and directly related to the reason for eviction. TPP clinicians assess the reasons for the eviction, identify needed services, develop a treatment plan to maintain the tenancy, and monitor the case for as long as is necessary. If the case involves the Housing Court, then TPP will make regular reports, including violations of agreements, to all parties involved in the case (i.e. the Court, property owner, and tenant).

If tenancy cannot be preserved, then TPP coordinates the tenant's transition to a more appropriate placement, preventing homelessness whenever possible. TPP is a voluntary program and participants may terminate their involvement at any time.

The TPP Statewide Steering Committee is chaired by Judge Dina Fein and has representatives from state agencies, service and housing providers, legal services, and other interested parties. Individual programs are guided by Local Advisory Committees consisting of the local counterparts to the entities serving on the Steering Committee.

Transit-Oriented Development Infrastructure and Housing Support Program

*Anticipated Q2, FY08 Program Release; Anticipated FY08 Program CAP range: \$5-\$6 million
Administering Agency: Executive Office of Transportation and Public Works (EOTPW), in partnership with the Executive Office of Housing and Economic Development (EOHED)*

Transit-Oriented Development (TOD) is characterized by compact, walkable development centered around transit stations. TOD incorporates mixed uses including, but not limited to housing, shopping, employment, and recreational facilities. TOD is designed to provide multimodal transportation opportunities with an emphasis upon transit, walking and bicycling so that visitors, residents and commuters have a high degree of mobility and convenience. TOD is also intended to promote environmental stewardship and to reduce dependency on private automobiles.

TOD represents an opportunity for communities across Massachusetts to enhance their quality of life. With TOD, parking lots and underutilized land near public transportation can be turned into vibrant mixed-use districts, diverse housing, and lively public places. As one of several Smart Growth / Smart Energy tools being promoted by the Patrick Administration, TOD also supports the Commonwealth's Sustainable Development Principles, particularly by concentrating development, providing transportation choice, expanding housing opportunities, and redeveloping existing sites before building on new ones.

The TOD Infrastructure and Housing Support Program — or TOD Bond Program provides technical and financial assistance for:

- preliminary design and/or construction of pedestrian and bicycling improvements, and
- construction of housing and/or parking for a TOD project

The TOD Bond Program was funded by the Legislature in Chapter 291, Section 2I of the Acts of 2004. Program provisions include:

- Multi-year funding to finance pedestrian improvements, bicycle facilities, housing projects, parking facilities, and preliminary design for pedestrian improvements and/or bike facilities in mixed use developments located within ¼ mile of a transit station.
- At least 25 percent of the units in housing projects must be affordable to households earning up to 80 percent of the area median income.
- Priority will be given to projects that are part of, or proximate to, an existing or proposed high quality TOD.
- Eligible projects must be located within ¼ mile of a transit station as defined in the Program regulations at 701 CMR 6.00.

To date, a total of \$13,020,454 in TOD funds have been awarded; many of these projects are now active. Of this total, \$8,905,266 has been provided toward the creation of 356 new housing units, 301 of which are affordable units. An FY08 Program release is anticipated during the second quarter of SFY08.

State Resources

Financial Resources from Other Sources

Community Preservation Act (CPA)

The CPA allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources, recreational facilities and community housing, by imposing a surcharge of up to 3 percent on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds' fees. To date 127 communities have adopted the CPA and the Trust Fund has grown to nearly \$100,000,000. Over 30 percent of the funds committed to date have been for affordable housing initiatives, the second highest total among the four allowable uses of CPA funds.

District Increment Financing (DIF)

Administering Agency: Massachusetts Office of Business Development (617) 973-8600

The DIF program is a public financing alternative available to all cities and towns in the Commonwealth. It enables municipalities to fund public works, infrastructure, and development projects by allocating future, incremental tax revenues collected from a predefined district to pay project costs.

The DIF program is locally driven and approved by the Economic Assistance Coordinating Council (EACC). The municipality must define the district and document a development program describing, among other things, how the DIF will encourage increased residential, commercial and industrial activity within the district. It must also detail the project improvements, financing plans, and community benefits. After the local public hearings and approvals, the municipality must submit an application to the EACC for final approval prior to implementing the program.

The municipal investment is designed to stimulate private investment which, in turn, increases the taxable value of property and generates the incremental taxes.

- No new taxes are levied, and the DIF does not reduce or redirect current property tax revenues.
- Cities and towns are eligible to utilize this financing alternative without qualifying as open-blighted, decadent, substandard, or economically impaired.
- The DIF empowers municipalities to forward public purpose while assisting their private partners in accomplishing their goals.
- Financing terms are negotiable and can be tailored to suit the situation.

The DIF program is available to all cities and towns in the Commonwealth of Massachusetts that have projects meeting DIF regulations and guidelines.

Priority Development Fund

Expected FY 2008 Funding: \$14,000,000

Administering Agency: MassHousing

The Priority Development Fund was created in 2004 with \$100 million to help to increase the supply of mixed-income, primarily rental, housing. Funds will be used in conjunction with MassHousing mortgage loans, primarily as a “gap filler” to help achieve financial viability for housing development proposals that reserve at least 20 percent of the units for low-income residents. Preference is given to proposals that adhere to Smart Growth principles.

State Low Income Housing Tax Credit Program

Expected FY 2008 Funding: \$4,000,000

Administering Agency: DHCD Division of Housing Development (617) 573-1300

In 1999, Massachusetts established a program similar to the Federal tax credit program, targeted to investors with Commonwealth of Massachusetts tax liabilities. Since that time, the program has supported the creation of approximately 2,900 homes, nearly 70 percent of which are affordable. An additional \$100 million over five years was approved in 2004. The state tax credits piggy-back on top of the federal credits; they do not represent additional units.

Tax Increment Financing (TIF)

Administering Agency: Massachusetts Office of Business Development (617) 973-8600

Massachusetts' version of Tax Increment Financing allows municipalities to provide flexible targeted incentives to stimulate job-creating development. The TIF Plan, completed by the municipality, describes proposed public and private investment in the TIF Zone, and is agreed upon by the municipality and all the private owners in the TIF Zone. The municipality and the prospective Certified Project candidate agree to a property tax exemption based on a percentage of the value added through new construction or significant improvement for a period of no less than five and no more than twenty years.

The real estate tax generated by the new increased assessed value is then allocated by the agreed-upon percentage of value added to one or more of three categories. The categories are:

- Exemption from real estate taxes.
- Payment of real estate taxes.
- Payment of betterment fee in lieu of real estate taxes to finance related infrastructure.

Each category, if necessary, may change from year to year. The percentage of allocation is calculated in a formal, negotiated agreement between the municipality and the Certified Project candidate. TIF serves to pass the tax savings on to property owners for use in project development, while ensuring that the development risk is borne by those parties as well.

Organizational Resources

State Agencies

Executive Office of Housing and Economic Development

The Executive Office of Housing and Economic Development (EOHED) is the state's central office for housing programs, a variety of community assistance activities, and economic development programs designed to attract new industries and create jobs in Massachusetts. Governor Patrick decided to combine the housing and economic development functions in state government because he believed that affordable housing is an essential backbone for a stable workforce. EOHED includes several agencies, including the Department of Housing and Community Development (DHCD), the Department of Business and Technology, and the Department of Consumer Affairs and Business Regulation. These agencies work together on initiatives such as Chapter 43D expedited permitting districts, which were designed to attract businesses but can also include a housing component, and foreclosure prevention, in which the Department of Consumer Affairs and Business Regulation's work with lenders goes hand-in-hand with DHCD's work on stabilizing neighborhoods that have suffered from high foreclosure rates.

Department of Housing and Community Development (DHCD)

DHCD, a division of EOHED, is *the state's lead agency* for housing and community development programs and policy. It oversees the state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing, as well as community development. (See Institutional Structure and Coordination in Section 4 of the five year plan for a complete description of the Agency.)

Massachusetts Office of Business Development (MOBD)

MOBD, a part of EOHED's Department of Business and Technology, works through five regional offices with companies and municipalities to drive job creation and retention by navigating and obtaining the technical, human, financial and siting resources necessary to expand and/or re-locate in Massachusetts. MOBD administers the Economic Development Incentive Program (EDIP), a state and local tax incentive program designed to reduce the cost of doing business for companies expanding or locating in Massachusetts. The EDIP program is a three-way partnership between the state, a municipality within an Economic Target Area (ETA), and a growing company under which the company may receive a local tax reduction and a 5 percent state investment tax credit in turn for its job creation and private investment. The incentive may range from 5 to 20 years and is available to any employer located in, or moving to, an ETA.

MOBD also administers the Commonwealth's District Improvement Financing Program. DIF enables municipalities to fund public works, infrastructure, and development projects within a defined district by allocating future, incremental tax revenues collected from a predefined district to pay project costs. It is available to all cities and towns within the Commonwealth that have projects which meet the program's regulations and guidelines. Its website is www.mass.gov/mobd.

Executive Office of Health and Human Services (EOHHS)

EOHHS is the state office that includes many of the key agencies responsible for activities related to housing and community and economic development in Massachusetts. EOHHS agencies that address priority needs identified in the Consolidated Plan include: the Department of Transitional Assistance, the Department of Mental Retardation, the Department of Mental Health, the Executive Office of Elder Affairs, the Department of Veterans' Affairs, the Massachusetts Rehabilitation Commission, the Department of Social Services, and the Department of Public

Health. Within the Department of Public Health are the HIV/AIDS Bureau, the Childhood Lead Poisoning Prevention Program and the Bureau of Substance Abuse Services. (See Section 4, Institutional Structure of the five year plan for a complete description of the Agency.)

Executive Office of Elder Affairs (EOEA)

The Executive Office of Elder Affairs, within the Executive Office of Health and Human Services (EOHHS), operates many of the state agencies that perform planning functions related to the elderly. The agency is responsible for regulating the state's 181 assisted living residences (11,602 units) that house elders and disabled persons. Assisted living residences at a minimum must provide room, board, assistance with personal care services, and other activities of daily living. It also funds an Assisted Living Ombudsman Program, designed to respond to concerns of residents in these facilities and their families.

In conjunction with DHCD, EOEA developed the Supportive Senior Housing Initiative that creates an "assisted living like" environment in public, elderly housing. With additional state funding and through its statewide network of Aging Services Access Points, EOEA provides 24 hour on-site personal care, one meal per day, case management, service coordination, and activities for residents of selected developments. The initiative is currently operating in 31 developments containing over 4000 units. EOEA also funds service coordinators at 51 congregate housing sites with 7019 units. Most of these sites are located in DHCD's Chapter 667 state-aided elderly housing complexes. The goal of Congregate Housing is to increase self-sufficiency through the provision of supportive services in a residential setting. Services are made available to aid residents in managing Activities of Daily Living in a supportive, but not custodial environment.

Department of Mental Health (DMH)

Massachusetts DMH, an agency within EOHHS, is the State Mental Health Authority, which assures and provides access to services and supports to meet the mental health needs of individuals of all ages, enabling them to live, work and participate in their communities, primarily through day programs, treatment and counseling services, employment and affordable housing. Its budget includes funds to assist homeless clients through outreach, shelter and transitional housing programs and to provide services for clients in community-based housing, as well as some funds for rental assistance.

Department of Mental Retardation (DMR)

Massachusetts DMR, an agency within EOHHS, is the state's key provider of services for people with mental retardation, primarily through a variety of social service programs and community-based housing. Like DMH, its budget includes funds to develop and staff community based residences and subsidize the living costs of the residents.

Department of Public Health (DPH)

Massachusetts DPH, an agency within EOHHS, is the state's key agency for public health programs, including lead paint poisoning prevention, emergency and longer-term substance abuse treatment programs, programs for children at risk for developmental or other disabilities, programs for people with chronic medical problems and services for people living with HIV/AIDS. Its budget includes limited funds for the housing needs of its consumers, including supportive housing services and rental assistance.

Department of Public Health HIV/AIDS Bureau

During fiscal year 2008, the HIV/AIDS Bureau of the Massachusetts Department of Public Health (DPH) will continue to fund the twenty-six supportive housing programs (410 units) that

are currently funded (twenty-one congregate/clustering programs and five scattered-site programs). In addition, the HIV/AIDS Bureau plans to continue to fund the DPH Rental Assistance Program, a program that subsidizes 15 units (without specific supportive services attached) in the Metro-Boston area using state funds appropriated to DPH and administered through DHCD and the Boston Housing Authority. In addition to state funds, the HIV/AIDS Bureau will continue to support the program activities funded by HOPWA.

Department of Social Services (DSS)

Massachusetts DSS, an agency within EOHHS, is the state's child welfare agency. In addition to protective and supportive work with children and families, it develops, funds and administers services (for example family networks, residential care, foster care, young adults aging out of care, etc.) which are designed in accordance with the Department's core practice values: child-driven, family-centered, community-focused, strength-based, and committed to cultural diversity and continuous learning. DSS is also the primary funder of community and residential services for victims of domestic violence and their families, which include housing stabilization services. Community based domestic violence programs receive state and federal funds to provide case management, support, advocacy, housing search, and flexible funds to assist families in stabilizing in housing and becoming self-sufficient and connected within communities.

Department of Transitional Assistance (DTA)

Massachusetts DTA provides financial assistance and services for low income families and individuals. In addition to administering the Temporary Aid for Families with Dependent Children (TAFDC), Emergency Aid to the Elderly, Disabled and Children (EAEDC), State Supplemental benefits for SSI recipients, and the Food Stamp programs, DTA is a key provider of homeless services. It provides homeless beds and services for individuals and families through two major programs: the Emergency Assistance Family Shelter Program and the Individual Shelter Program (*see State Financial Resources for additional information*).

DTA is the lead agency for the Commonwealth's Balance of State Continuum of Care (CoC) serving 73 cities and towns. Through this CoC the Commonwealth receives funds for Homeless Assistance Services through HUD which provide: 62 transitional housing units; 500 units of permanent supportive housing for formerly homeless families and individuals; Street Outreach Teams which provide outreach, clinical services and engagement—with the goal of moving individuals off the streets and into housing; housing search services and employment specialists for homeless individuals, as well as a variety of substance abuse treatment and recovery programs.

DTA administers a Homeless Management Information Systems (HMIS), SHORE (Statewide Homeless Operations & Research Environment), which addresses each of the data requirements Congress and HUD have directed its Continuums of Care to meet on the extent of homelessness and the effectiveness of the McKinney Act Programs. DTA's HMIS is both an application and a statewide repository for homeless data. All 21 of the Massachusetts CoCs contribute to SHORE either directly or through data uploads. The goal of the HMIS requirement is that HMIS service providers will inform the public policy debates on the numbers characteristics and service needs of the chronically homeless, sheltered homeless and unsheltered homeless individuals and families. An HMIS includes:

- Developing unduplicated counts of clients served at the local level;
- Analyzing patterns of use of people entering and exiting the homeless assistance system; and
- Evaluating the effectiveness of these systems for data collection and reporting of information on homeless individuals and families.

Department of Veterans Services (DVS)

Massachusetts Department of Veterans Services (DVS), an agency within the Executive Office of Health and Human Services, oversees a variety of programs for veterans of the Armed Services. Services include outreach centers that provide counseling, shelters, transitional and permanent housing for homeless and formerly homeless veterans and their families. DVS supports programs that focus on homelessness prevention, emergency shelter, and transitional and permanent housing for veterans of the Armed Services. Some estimates indicate that veterans represent one-third of single homeless individuals in Massachusetts. Funding is provided to DVS-sponsored non-profit organizations managed and staffed by veterans--the hallmark of the DVS approach. Service models emphasize veterans helping veterans.

DVS will continue to maintain its Housing Advisory Board (HAB) to share information about housing programs that benefit homeless veterans. The HAB is made up of veterans, some of who were formerly homeless, who provide housing and/or services to veterans. At the meetings, members review programs and proposals to provide housing and services to veterans, focusing on providing housing and services for homeless veterans. DVS-supported housing developments often result in the rehabilitation and contribute to the stabilization of neighborhoods.

Department of Workforce Development (DWD)

The mission of the Department of Workforce Development (DWD), a department of the Executive Office of Labor and Workforce Development, is to enhance the quality, diversity and stability of the Commonwealth's workforce by serving the needs of job seekers and employers in the state. DWD is responsible for the implementation of the federal Workforce Investment Act (WIA), which integrates various state and federal programs into a seamless delivery system. The majority of programming under the Department of Workforce Development is coordinated and implemented by 16 Local Workforce Investment Boards (WIB), which deliver services through the 32 One-Stop Career Centers located across the state. This system provides job seekers with job development and placement services, career-oriented workshops, referrals to education and training, as well as customized services for businesses. The Department's Division of Career Services (DCS), formerly the Division of Employment and Training, operates employment service programs, the Workforce Training Fund, and oversees the state's 32 One-Stop Career Centers. In Fiscal Year 2007, the Career Centers served more than 183,200 individuals and over 13,200 businesses.

The Massachusetts Workforce Investment Board serves as the Governor's advisory board on workforce development. It is comprised of private sector business representatives, legislators, and representatives from state and local workforce development entities including the Department of Workforce Development, Department of Economic Development, Division of Career Services, Department of Transitional Assistance, Department of Education, Department of Higher Education, Massachusetts Rehabilitation Commission, Commonwealth Corporation, and Massachusetts Workforce Board Association.

Division of Capital Asset Management and Maintenance (DCAMM)

DCAMM is the state agency within the Executive Office of Administration and Finance responsible for major public building construction and real estate services for the Commonwealth. It manages the redevelopment of over 3,700 acres of surplus state property. DCAMM has been working with all state agencies to identify state-owned surplus property that is no longer mission critical that could be put into good productive use for housing, economic development, and open space.

Executive Office of Energy and Environmental Affairs (EOEEA)

EOEEA is the state agency that oversees all programs and policies relating to the environment. EOEEA is made up of the Division of Energy Resources and the Departments of: Environmental Protection; Agricultural Resources; Fish and Game; Public Utilities; and Conservation and Recreation (created by the merger of the Department of Environmental Management and Metropolitan District Commission).

Executive Office of Public Safety (EOPS)

The administering agency for the State-funded Community Policing Grant Program, under which every city and town in the Commonwealth with a local police department, is eligible for Community Policing funding. Local police departments, acting in partnership with citizens, are encouraged to develop and enhance collaborative relationships with all appropriate branches of state, local, and federal law enforcement, government and regulatory agencies, private industry, schools, and community organizations for the purposes of arriving at a consensus on the crime and disorder problems within their particular communities and formulating strategies tailored to meet the particular needs of their communities.

Interagency Council on Homelessness and Housing

Established in November 2003 as the lead entity for the Commonwealth on homeless policy and planning, the Council is charged with improving the coordination of services and programs for homeless populations and for developing, implementing and monitoring initiatives to end homelessness. Its members include the Lieutenant Governor as Chair, the Undersecretary of Housing and Community Development, Secretary of the Executive Office of Health and Human Services, the Secretary of Administration and Finance, the Commissioner of Education the Secretary of Labor and Workforce Development, the Commissioner of the Department of Transitional Assistance, the Commissioner of the Department of Social Services, the Commissioner of the Department of Mental Health, and Commissioner of Corrections. The Council is preparing to implement the recently issued recommendations of the Commission to End Homelessness.

Massachusetts Rehabilitation Commission (MRC)

An agency within EOHHS, MRC offers a range of housing and housing-related services to assist people with disabilities to live independently in the community. The agency's goal is to develop housing and housing programs that meet the individual needs and preferences of people with disabilities. MRC funds the Supportive Living Program, Statewide Head Injury Program (SHIP) and the state's eleven nonprofit Independent Living Centers (ILCs).

MassDEP (Department of Environmental Protection (DEP))

MassDEP, one of six agencies under the Executive Office of Energy and Environmental Affairs (EOEEA) and is the state agency responsible for protecting human health and the environment by ensuring clean air and water, the safe management and disposal of solid and hazardous wastes, the timely cleanup of hazardous waste sites and spills, and the preservation of wetlands and coastal resources. In conjunction with the Massachusetts Water Pollution Abatement Trust, DEP administers the State Revolving Funds (SRF) for water pollution abatement projects and drinking water protection projects. Programs Administered by MassDEP include: Clean Water SRF and Drinking Water SRF (see State Financial Resources).

Organizational Resources

Massachusetts Quasi-Public Agencies

Community Development Finance Corporation (CDFC)

CDFC is a quasi-public agency created in 1975 to provide flexible financing for small businesses in Massachusetts to which private capital is not readily available with the purpose of creating or preserving jobs and promoting economic development. The Agency works in partnership with community development corporations (CDCs). CDFC's website is: <http://www.mcdfc.com/>.

Community Economic Development Assistance Corporation (CEDAC)

CEDAC is a quasi-public entity created in 1978 to increase the amount of affordable housing and to foster the revitalization of economically distressed areas by providing a range of development assistance programs to nonprofit development corporations. The agency offers a range of programs that provide technical assistance and pre-development funding to nonprofit developers. In FY 2007, CEDAC committed \$14.4 million in pre-development and site acquisition loans to help nonprofit developers produce and preserve 3,803 affordable housing units. CEDAC also underwrites the Housing Innovations Fund and the Facilities Consolidation Fund loan programs for DHCD, and committed \$19.6 million from those programs in FY 2007. Under a contract from the HUD HOME program, CEDAC provides technical assistance to Community Housing Development Organizations (CHDOs), to build their capacity. CEDAC is a nationally-recognized leader in the preservation of Section 8 and other federally-assisted rental stock for low-income families.

CEDAC's affiliate, the Children's Investment Fund, provides loan and grant capital, and couples its financial resources with technical assistance, to help non-profit child care centers expand and improve their facilities. The Commonwealth Workforce Coalition (CWC), its workforce development program, strengthens the capacity of Massachusetts' community-based education, training, and employment system to produce better employment and earnings outcomes for low income residents and low wage workers. CWC focuses on (1) building the skills and knowledge of direct service and program management staff, (2) supporting increased communication networks and connection among practitioners and other system stakeholders, and (3) developing and strengthening leaders within the workforce development field. CEDAC is online at: <http://www.cedac.org/>.

MassDevelopment (formerly Massachusetts Development Finance Agency, MDFA)

A quasi-public agency created in 1998 by the merger of the Government Land Bank of the Massachusetts Industrial Finance Agency, MassDevelopment serves as the state's investment bank and real estate development agency. It offers a variety of programs in support of economic development, large scale real estate development projects and brownfield clean-up including pre-development assistance, loans, loan guarantees, mortgage insurance and taxable and tax-exempt bond financing. Its programs can also be used for mixed commercial and residential projects. MassDevelopment's clients include eldercare, healthcare, manufacturing, and cultural and educational institutions. Along with MassHousing, the agency finances affordable housing development using four percent low income housing tax credits. It has also developed new options for financing smaller projects, such as the MATCH Program with Massachusetts Housing Partnership. MassDevelopment's website is located at: <http://www.massdevelopment.com/>.

MassHousing (Massachusetts Housing Finance Agency)

MassHousing is a quasi-public agency created in 1966 to finance affordable housing using both tax-exempt and taxable bonds. Since its inception, MassHousing has financed more than 97,000 rental units in mixed income apartment communities and more than 54,000 low-cost home mortgages and home improvement loans.

To create affordable home ownership opportunities, MassHousing contracts with 140 private lenders across Massachusetts. These MassHousing-approved lenders originate loans to low- and moderate-income home buyers who meet MassHousing's income, purchase price and credit guidelines. MassHousing then purchases the eligible loans, using the proceeds from the sale of tax-exempt mortgage revenue bonds. The tax-exempt nature of the bonds allows MassHousing to offer loans with below-market interest rates, thus making home ownership more affordable.

MassHousing provides second mortgage products to ensure that homes remain in good condition. These include home improvement, septic system repair and lead paint removal loans. MassHousing also provides mortgage insurance through its own mortgage insurance subsidiary for any loan in which borrowers make less than a 20% downpayment. MassHousing's mortgage insurance product, MI Plus™, is provided at a discounted rate for lower income borrowers. MI Plus™ comes with job loss protection insurance at no additional cost to the borrower above the normal premium. This insurance covers a borrower's principal and interest payments for up to six months in the event the borrower loses his or her job.

To produce and preserve rental housing, MassHousing makes loans directly to developers and to property owners who meet affordability and underwriting criteria. At least 20% of the units in a rental housing community must be affordable to low income residents in order to qualify for MassHousing financing.

MassHousing provides financing to preserve existing affordable rental housing, in order to prevent the loss of scarce affordable units. MassHousing's below market interest rates and other favorable loan terms provide strong incentives for owners of subsidized housing to make improvements to their properties and to keep subsidized units affordable for the long term, instead of converting them to market rents. MassHousing has had particular success refinancing many elderly subsidized housing units that were built under HUD's Section 202 program. Non-profit owners of these properties have reduced their monthly mortgage payments and realized substantial savings that are being put toward improved services for elderly residents. MassHousing's Section 8 Proactive Preservation Program is designed to preserve the affordability at developments supported by Section 8 HAP contracts that are nearing mortgage maturity. To avoid the risk of converting to market-rate use, resulting in a significant loss of affordable units, MassHousing intervenes early and offers incentives to owners to preserve the affordability for the long-term.

MassHousing provides extensive oversight for its rental-housing portfolio, and provides access to numerous programs and trainings for property managers and residents, all with the goal of improving the quality of life at subsidized rental housing communities. In addition, the Agency also provides some subsidy oversight of more than 300 HUD-financed rental developments through a fee-for service contract with the U.S. Department of Housing and Urban Development.

The Center for Community Recovery Innovations, Inc. (CCRI) is a nonprofit subsidiary corporation of MassHousing developed to support strategies that deal with issues of addiction to alcohol and illicit drugs in housing. CCRI primarily provides one-time funding up to \$75,000 for capital projects that increase or improve the stock of affordable sober housing in Massachusetts.

It should also be noted that MassHousing administers the Massachusetts Affordable Housing Trust Fund on behalf of the Department of Housing and Community Development.

Additional information is available online at: <http://www.masshousing.com>

Massachusetts Housing Partnership (MHP)

MHP is a quasi-public agency financed by the banking industry to support affordable housing and neighborhood development. MHP provides communities, local housing partnerships, and non-profit and for-profit developers with technical assistance and below-market financing to create affordable rental housing and homeownership opportunities throughout the Commonwealth. It offers several long-term fixed-rate financing programs at favorable interest rates for rental properties of 5 or more units to for-profit and nonprofit developers; terms are for up to 20 years and amortization is for up to 30 years. Loan amounts are from \$250,000 to \$15 million, or as low as \$100,000 if part of a community redevelopment effort. Using these various permanent financing products, MHP expects in FY 2008 to provide permanent financing commitments of \$80 million for approximately 1,000 to 1,200 housing units, mostly in mixed-income developments. Of the 1,000 to 1,200 units, MHP expects at least 800 to 1,000 of the units to be affordable to households at or below 60 percent of AMI.

MHP also administers the SoftSecond Loan Program, which is funded by the Department of Housing and Community Development (See details under State Programs). The program provides second mortgage loans to low- and moderate-income first-time homebuyers to reduce their first mortgage amounts and to lower their initial monthly costs. The program has assisted over 10,000 first-time homebuyers to date and expects 1,100 to utilize the program in FY 2008.

MHP provides on-going technical assistance and training to local, municipally appointed, housing committees and partnerships that are attempting to expand the supply of low and moderate income housing in their communities. It will also provide up to \$310,000 in approximately 30 contracts for third-party consulting services under the Chapter 40B Technical Review Assistance Program to help local Zoning Boards of Appeal and other municipal boards review proposed affordable housing developments seeking comprehensive permits pursuant to MGL c.40B. The program was developed in cooperation with DHCD and is funded by application fees from developers seeking Determinations of Project Eligibility from MassHousing, MHP, DHCD, and MassDevelopment. MHP will also produce educational materials for local officials.

MHP will continue to administer a three year Production Capacity Grant program using Bank of America grant funds. The grants aim to increase non-profit affordable housing development throughout the Commonwealth by supporting and strengthening the staffing capacity of non-profit developers. The MHP website is: <http://www.mhp.net/>.

Organizational Resources

Community Partners

Community Action Agencies (CAAs)

CAAs are publicly and privately funded agencies that provide social services, such as fuel assistance, daycare and education to low income residents. By law, the State must distribute at least 90 percent of its federal Community Services Block Grant funds to CAAs. The State also contracts with CAAs to operate its fuel assistance and weatherization programs. Some Massachusetts CAAs are involved in the development and management of affordable housing.

Community Development Corporations (CDCs)

There are more than 60 CDCs engaged in local housing and economic development activities in Massachusetts today. Although CDCs vary in size and scope, most are nonprofit, tax exempt 501(c)3 organizations. Under Massachusetts law, CDCs must be located in and serve a designated community where the median family income is below 85 percent of the regional median family income.

Local and Regional Housing Authorities (LHAs)

Housing authorities are established by a city or town, or group of towns, in accordance with state law to provide low income family or elderly housing.

NeighborWorks Network Organizations (NWOs)

NWOs are a nationwide network of community-based, locally-controlled nonprofit organizations that develop programs to increase affordable housing, promote resident leadership and community economic development. There are 13 NWOs in Massachusetts including CDCs and Neighborhood Housing Services (the predecessor to NeighborWorks). NeighborWorks is online at: www.nw.org.

Regional Non-Profits

Massachusetts has nine private, non-profit housing agencies who administer the Section 8 program on a statewide basis, under contract with DHCD; in communities without participating LHAs, they also administer the Massachusetts Rental Voucher Program (MRVP). Each agency serves a wide geographic region. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and technical assistance and training programs for communities. Much of this work is concentrated in nine Housing Consumer Education Centers run by the non-profits. These HCECs are sited throughout the state and help people who need resources and advice to help with housing-related problems.

Regional Planning Agencies (RPAs)

RPAs are public agencies that coordinate planning within thirteen designated regions of the state. They are empowered to undertake studies of resources, problems, possibilities and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The new Chapter 43D expedited permitting law gives the RPAs responsibilities and funding to explore expedited permitting (technical assistance money). The RPAs are working on a model expedited permitting program.

Organizational Resources

Other Resources

Boston Community Capital (BCC)

BCC is a community development financial intermediary that invests in projects that provide: affordable housing, good jobs, needed goods and services, and new opportunities for people who have been locked out of the economic mainstream. The capital that BCC invests comes from socially concerned investors and donors – individuals, religious organizations, banks, foundations and corporations. BCC operates through its two affiliates:

- Boston Community Loan Fund provides loans to organizations and private developers for projects that provide housing, community facilities, and social services for low-income people and neighborhoods.
- Boston Community Venture Fund makes equity investments in high-potential, emerging businesses that create a "double bottom line" of financial and social return to strengthen and build businesses that help to build healthy communities.

BCC is a certified community development financial institution (CDFI) that serves low-income communities throughout Massachusetts.

CDFIs are organizations certified by the US Department of the Treasury as lending institutions with a primary mission of promoting community development. They provide a wide range of financial products and services, including mortgage financing, commercial loans, financing for community facilities, and financial services needed by low income households. In addition to BCC, there are a number of other CDFIs in Massachusetts that support the Consolidated Plan objectives.

Federal Home Loan Bank of Boston (FHLBB)

The Federal Home Loan Bank of Boston (The Bank) is one of 12 district banks in the Federal Home Loan Bank System. It is a wholesale bank (a bank for banks) that provides access to credit for its members and administers several programs to promote community development and expand affordable housing. The Bank covers the six New England states and is owned by more than 450 New England financial institutions. It offers several programs, the three principal ones being the Affordable Housing Program (AHP), the New England Fund (NEF), and Community Development advances (CDAs):

Affordable Housing Program: The Bank's AHP was launched in 1990. The AHP funds the direct costs and related soft costs for the acquisition, construction, and rehabilitation of ownership and rental housing for households earning at or below 80 percent of the area median income. The program is funded each year by 10 percent of the Bank's net earnings, and these funds are awarded in turn on a semi-annual, competitive basis in the form of grants and subsidized loans through member institutions.

- Equity Builder Program (EBP): Funded as part of the AHP, the Bank's EBP offers members grants to provide households with incomes less than 80 percent of the area

median income with down-payment, closing-cost, home-buyer counseling, and rehabilitation assistance. Members can also use EBP grants to match eligible buyers' savings under an IDA-type program.

New England Fund: The NEF offers members advances (loans) to support housing and community-development initiatives that serve moderate-income households and neighborhoods. The NEF has become one of the programs used for the development of new mixed-income ownership and/or rental housing under the Massachusetts Chapter 40B comprehensive permit law.

Community Development Advance Program: CDAs provide a readily available supply of low-cost funding for a wide range of eligible initiatives. Members use CDAs to help finance affordable housing, an array of mixed-use and economic development initiatives—including loans for small businesses, social-services and public facilities, and municipal infrastructure improvements—and commercial, industrial, manufacturing, and disaster-related efforts.

- **Advances for Affordable Housing:** Members can tap CDAs to help finance the purchase, construction, rehabilitation, or predevelopment financing of affordable housing. CDAs can be used for housing that benefits households with incomes up to 115 percent of the area median family income.
- **Advances for Economic Development:** Members can use CDAs to support a wide range of economic-development initiatives, including loans for small businesses, social-service or public-facility initiatives, and infrastructure improvements. These advances can also be used to fund commercial, industrial, and manufacturing initiatives. CDAs can be used for economic development initiatives that create or retain jobs for workers, households or neighborhoods with incomes up to 100 percent of area median income, and other designated areas.
- **Advances for Mixed-Use Initiatives:** CDAs can also be used to finance projects that involve a combination of economic development and affordable housing.

Home Funders

A group of private and public organizations joined together in 2003 to create a \$26 million fund to support the creation of housing for very low income families. Home Funders pools private dollars to make low-interest loans and grants to build housing where at least 30 percent of the units are reserved for extremely low income families. Loans are distributed through the Massachusetts Housing Partnership and CEDAC. Nearly \$20 million has been committed to the fund to date and it has made its first loans.

Local Initiatives Support Corporation (LISC)

Local Initiatives Support Corporation is a national nonprofit organization established to help resident-led, community-based development organizations transform distressed communities and neighborhoods into healthy ones. By providing capital, technical expertise, training, and information, LISC supports the development of local leadership and the creation of affordable housing, commercial, industrial and community facilities, businesses, and jobs.

Massachusetts Housing Investment Corporation (MHIC)

MHIC is a private, 501(c)3 non-profit corporation that provides a variety of financing products for affordable housing and community development projects in Massachusetts. Its products include a variety of loan types, equity investments in housing projects that qualify for federal Low Income Housing Tax Credits (LIHTCs), and equity investments in and loans to commercial community development projects that qualify for federal New Markets Tax Credits (NMTC).

MHIC loan products include pre-development, acquisition, construction, permanent, mini-perm, and bridge loans. Amounts, rates and terms vary by product type. Typically, loan sizes range from a minimum of \$100,000 to a maximum of \$10,000,000. MHIC works with both for-profit and non-profit developers, financing both rental and ownership projects. The organization is a leading purchaser of federal and state LIHTCs and historic tax credits in Massachusetts. It provides technical assistance in structuring LIHTC transactions and has a proven record of assisting project partnerships confronted with unanticipated problems. Investment amounts typically range from \$500,000 to \$10,000,000, and project types include new construction, rehabilitation, and adaptive reuse for family, elderly, and special needs.

MHIC also administers the New Markets Tax Credit program (NMTC), the most recent federal incentive for community development, directed toward commercial development in targeted neighborhoods. Product types include loans and equity investments for businesses engaged in the development of a wide range of commercial real estate, including mixed-use properties, office and retail space, and community, cultural, and health centers. For more information visit MHIC's website at: <http://www.mhic.com>.

Property and Casualty Initiative (PCI)

PCI is a private community development loan fund capitalized by a consortium of fourteen Massachusetts property and casualty insurance companies in 1999. PCI lends to a range of community development projects including affordable housing. It makes most of its loans directly, but may also participate with other community lenders.

The Life Initiative (TLI)

TLI is a private community investment fund capitalized by a consortium of eleven Massachusetts life insurance companies in 1998 (twelve companies now participate). It invests in a range of community development activities including affordable housing, channeling most (about two-thirds) of its loans and investments through community loan funds and intermediaries.

Appendix D: Program Specific Requirements

HOME.....	ii
ESG.....	xii
HOPWA.....	xiv
CDBG (One Year Annual Plan).....	next section

Program Specific Requirements

HOME Investment Partnerships Act (HOME) Program

MASSACHUSETTS HOME PROGRAM

ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2008

The Department of Housing and Community Development will receive an allocation of approximately \$13,586,000 in HOME funds in federal fiscal year 2008, including \$132,403 in American Dream Downpayment Initiative (ADDI) funds. DHCD plans to reserve 10 percent of the HOME allocation for administrative purposes, and award the majority of the remaining \$12,500,000 through competitive funding rounds.

DHCD will continue to award its rental and homeownership funds through a competitive RFP process. However, DHCD reserves the option to make ownership funds available on a rolling basis with clear readiness standards. DHCD will award federal fiscal year 2008 HOME program funds to two program types: multi-family rental loans and homebuyer assistance. Eligible applicants for HOME funds are municipalities, non-profit agencies (including CHDOs as defined by HUD), and for-profit developers. Note: A minimum of 15 percent of the federal FY 2008 allocation will be reserved for CHDOs serving as owners, sponsors, or developers of rental production projects or project-based first-time homebuyer projects. The Director of DHCD reserves the right to consider geographic distribution in making funding decisions for the 15 percent CHDO set-aside. DHCD will continue its practice of encouraging CHDOs to participate in the HOME program.

Allocation of Funds

DHCD will continue its past practice of seeking to competitively award HOME funds in those areas of the Commonwealth that do not receive HOME funds as a result of entitlement community or HOME consortium designation. DHCD also will competitively award HOME funds for rental loan projects and project-based homebuyer assistance in entitlement communities that provide a match for DHCD administered HOME funds.

During federal FY 2008 DHCD anticipates the following approximate amounts will be awarded through a competitive RFP process, depending upon the level of demand in each program category:

- \$9,100,000 - rental loan program
- \$2,500,000 - project-based first-time homebuyer program
- \$650,000 – purchaser-based first-time homebuyer program (aka ‘HOME ADDI’)

Evaluation Criteria for HOME Projects

DHCD will continue to competitively award HOME funds for Rental Loan and Project-based Homebuyer Projects. Purchaser-Based homebuyer funds also will be awarded competitively. HOME entitlement communities must provide a match for projects seeking DHCD administered HOME funds.

The following criteria are used to evaluate projects:

- strength of overall concept
- strength of development team
- demonstrated need for project in the target neighborhood
- evidence of marketability and affirmative fair marketing plan included in proposal
- adherence to sustainable development principles
- suitable site and design, including appropriateness with regard to green building standards and increased accessibility
- appropriate scopes of rehabilitation or construction
- appropriate efforts to address energy conservation
- appropriate total development costs for properties included in proposal
- financial viability of the project, including evidence of minimal utilization of HOME assistance
- degree of local support, including local funding commitments
- evidence of readiness to proceed
- evidence of satisfactory progress on previously funded projects.

The following terms and conditions apply to all HOME competitively awarded multi-family rental projects:

Terms and Conditions: Multi-Family Rental Projects	
Eligible Borrowers	For profit developers; non-profit developers; non-profit organizations designated as CHDOs; municipalities in cooperation with any of the above.
Eligible Activities	Acquisition and/or rehabilitation of existing structures for multi-family rental use, including distressed or failed properties, or the new construction of multi-family rental projects. Minimum project size of 5 HOME-assisted units.
Maximum Loan Amount	DHCD will award up to \$750,000 per project and up to \$50,000 per HOME-assisted unit in HOME entitlement/consortium communities. In non-entitlement or non-consortium communities, the maximum loan is up to \$65,000 per HOME-assisted unit.
Match Requirement	Projects located in HOME entitlement or consortium communities should include a commitment of local funds. If an application is submitted without a match, it may not be scored. In general, preference will be given to applications with full match commitments.
Cost/Fee Limits	Projects with Total Development Costs in excess of \$165,000 per unit may not be scored. Developer Fee + overhead may not exceed 12.5% of a project's Total Development Cost (with the exception of applicants also seeking LIHTC).
Security	All HOME loans will be secured by a mortgage on the property. HOME funds are often subordinate to other loans; the subordinate position will depend upon the financial structure of the deal.

Terms and Conditions: Multi-Family Rental Projects	
Affordability	All units receiving HOME assistance must be occupied by households earning no more than 60% of the area median income and affordable to households earning 65% of the area median income. At least 20% of the HOME units must be affordable to households earning no more than 50% of area median income.
Holdback Feature	DHCD provides HOME funds through a simple requisition process and holds back 10% of the HOME award until the project is substantially complete.
Term of Loan	Loans will be for 30 years. During the final year of a loan, the owner may request an extension of up to 30 years in order to maintain the affordability of the housing.
Recourse	The loans will be non-recourse.
Interest Rate	Generally, DHCD HOME loans are deferred payment loans with zero percent interest rates. DHCD reserves the right to assign a higher rate of interest to any HOME loan. HOME loans to projects receiving allocations of Low Income Housing Tax Credits are made at the Applicable Federal Rate (or higher) as required by the Tax Credits program.
Debt Coverage Ratio	DHCD expects HOME projects to have minimum debt coverage ratios of approximately 1.15 in year one.
Environmental	An ASTM Phase One environmental site assessment must be completed and submitted for each property within the project, either with the application or as part of the loan closing.
Lead Paint Requirements	HUD Federal lead-based paint regulations at 24 CFR Part 35 apply to all projects that are awarded HOME monies.
Energy Star, Sustainability and Other Green Measures	All new construction must meet Energy Star standards. Any rehabilitation must meet Energy Star standards to the greatest extent feasible for the project. DHCD also expects projects to consider greening and sustainability to the maximum extent possible; all proposals must follow the guidelines as outlined in the Commonwealth's Qualified Allocation Plan.

Terms and Conditions: Multi-Family Rental Projects	
Handicapped Accessibility	For the new construction of any units or the substantial rehabilitation of 15 or more units of multi-family housing, Section 504 requires that 5% of the units (but not less than 1 unit) be accessible to individuals with mobility impairments and an additional 2% of the units (but not less than 1 unit) be accessible to individuals with sensory impairments. For moderate rehabilitation of 15 or more units, Section 504 also requires to the maximum extent feasible that the units be accessible to and usable by individuals with handicaps.
Good Standing at DHCD	Applicants for HOME funds, including all members of their development teams, must be in good standing with DHCD with respect to other DHCD-assisted projects.
Application Fees	The application fee for non-profit developers is \$400 per project; the fee for for-profit developers is \$1,000 per project.

The following criteria are used to evaluate first-time homebuyer projects:

- strength of overall concept
- strength of development team
- demonstrated need for project in the target neighborhood
- adherence to sustainable development principles
- suitable site and design, including attention to green building standards and increased accessibility
- appropriate scopes of rehabilitation or construction
- appropriate efforts to address energy conservation
- appropriate total development cost for properties included in proposal, including evidence of minimal utilization of HOME assistance
- appropriate sales prices and affordability analyses included in proposal
- evidence of marketability and buyer selection plan included in proposal
- degree of local support, including local funding commitments
- evidence of readiness to proceed
- evidence of satisfactory progress on previously funded projects.

The following terms and conditions apply to all HOME-funded project-based first-time homebuyer projects:

Terms and Conditions: HOME-Funded Project-Based First Time Homebuyer Projects	
Eligible Borrowers:	For profit developers; non-profit developers; non-profit organizations designated as CHDOs; municipalities in cooperation with any of the above.
Eligible Activities	Acquisition and/or rehabilitation of existing structures for sale to income eligible first-time homebuyers, including distressed or failed properties, or the new construction of homeownership projects. Minimum project size of 3 HOME-assisted ownership

Terms and Conditions: HOME-Funded Project-Based First Time Homebuyer Projects	
	units, which must be secured with a signed Purchase & Sale Agreement at the time of application.
Eligible Properties	Eligible property types are 1-4 family residences, condominiums and manufactured homes and lots
Maximum Loan Amount	DHCD will award up to \$750,000 per project and up to \$50,000 per HOME-assisted unit in HOME entitlement/consortium communities. In non-entitlement or non-consortium communities, the maximum loan is up to \$65,000 per HOME-assisted unit.
Match Requirement	Projects located in HOME entitlement or consortium communities should include a commitment of local funds. If an application is submitted without a match, it may not be scored. In general, preference will be given to applications with full match commitments.
Cost/Fee Limits	Projects with Total Development Costs exceeding the recommended TDC limit of \$165,000 per unit may not be scored. The total of the Developer Fee + Developer Overhead may not exceed 12.5% of the project's TDC.
Security	All HOME loans will be secured by a mortgage on the property. HOME funds are often subordinate to other loans; the subordinate position will depend upon the financial structure of the deal. Upon sale of a unit in accordance with the terms of the loan and execution of a deed rider by an income-eligible first-time homebuyer, the principal amount due under the loan is reduced by the amount of HOME funds applicable to the unit.
Affordability	All first-time homebuyers purchasing HOME-assisted units must earn no more than 80% of the area median income. Each HOME-assisted unit must conform with applicable Single Family Mortgage Limits under Section 203(b) and must have sales prices within DHCD's limits. Any HOME-assisted rental units in multi-family properties must be leased to households earning no more than 60% of area median income. These rental units may be leased at the "high" HOME rent. (Please contact DHCD for a list of the 203(b) mortgage limits or go to www.hud.gov/cpd/home/homeweb.html for the maximum rents and household incomes for your community.)
Holdback Feature	DHCD provides HOME funds through a simple requisition process and holds back 10% of the HOME award by property until the property is substantially complete.
Term of Loan	Loans to "Eligible Borrowers" will be for 2 years. By the maturity date, each unit must be sold to income-eligible first-time homebuyers. The length of the Affordable Housing Restriction for the homebuyer is a minimum of 15 years. In the

Terms and Conditions: HOME-Funded Project-Based First Time Homebuyer Projects	
	event the homebuyer desires to sell the property prior to the end of the term of the Restriction, certain resale/recapture requirements will apply.
Recourse	The loans to "Eligible Borrowers" will be non-recourse.
Interest Rate	Generally, DHCD HOME loans are deferred payment loans with zero percent interest rates.
Environmental	At a minimum, an ASTM Phase One environmental site assessment must be submitted for each property.
Lead Paint Requirements	HUD Federal lead-based paint regulations at 24 CFR Part 35 apply to all projects that are awarded HOME monies.
Energy Star, Sustainability and Other Green Measures	All new construction must meet Energy Star standards. Any rehabilitation must meet Energy Star standards to the greatest extent feasible for the project. DHCD also expects projects to consider greening and sustainability to the maximum extent possible; all proposals must follow the guidelines as outlined in the Commonwealth's Qualified Allocation Plan.
Good Standing at DHCD	Applicants for HOME funds, including all members of their development teams, must be in good standing with DHCD with respect to other DHCD-assisted projects.
Handicapped Accessibility	Applicants should be sensitive to the need to develop adaptable and/or accessible units in properties that are being newly constructed. In addition, if a buyer or a member of the buyer's household is handicapped, necessary modifications must be made to ensure accessibility. The costs of the modifications may be passed on to the buyer if they are such to unreasonably burden the project.
Application Fees	The application fee for non-profit developers is \$400 per project; the fee for for-profit developers is \$1,000 per project.

The following terms and conditions apply to all HOME purchaser-based homebuyer programs (aka HOME ADDI programs).

Terms and Conditions: HOME ADDI	
Eligible Applicants	Non-profit organizations and non-entitlement municipalities
Eligible Activities	Provision of funds to low-income households for down payment or closing costs assistance.
Maximum Application Amount	DHCD will award up to \$100,000 per application. Assistance to individual homeowners is limited to 5% of a property's purchase

Terms and Conditions: HOME ADDI	
	price up to a maximum of \$10,000.
Match Requirement	Projects located in HOME entitlement or consortium communities should include a commitment of local funds. If an application is submitted without a full match, it may not be scored. In general, preference will be given to applications with full match commitments.
Security	All HOME loans will be secured by a second mortgage on each property purchased by an eligible first-time homebuyer
Affordability	First-time homebuyers receiving a HOME Acquisition Loan may earn no more than 80% of the area median income. Each HOME-assisted unit must have a purchase price that does not exceed 95% of the area's median price, as determined by the Single Family Mortgage Limits under Section 203(b). Any HOME-assisted rental units in multi-family properties must be leased to households earning no more than 60% of area median income. Rental units may be leased at the "high" HOME rent.
Term of Loan	Loans to homebuyers will be for 5 years during which time the property must remain the buyer's primary place of residence. In the event that a buyer desires to sell the property prior to the end of the five year term, DHCD will recapture the entire amount of the ADDI loan or the net proceeds from sale, whichever is less. During the five year term of the ADDI note, DHCD will not subordinate to cash out refinances. If the homeowner wishes to take cash out during the term of the note, he or she will be required to payoff DHCD.
Recourse	The loans will be recourse to the borrower.
Interest Rate	First-time Homebuyer Acquisition loans are deferred payment loans with zero percent interest rates.
Environmental	An environmental checklist and assessment is required to be completed for each property.
Good Standing at DHCD	Applicants for HOME funds must be in good standing with DHCD with respect to other DHCD-assisted projects.

First-time Homebuyer Resale or Recapture Provisions

DHCD intends to award approximately \$3,150,000 in HOME funds to support first-time homebuyer programs. As in the past, DHCD will provide sponsors of first-time homebuyer programs not located in HOME-entitlement communities with model loan documents. The Commonwealth's HOME program has developed two types of deed riders: the deed rider for

purchaser-based assistance calls for recapture only, and the deed rider for project-based assistance calls for resale to an eligible purchaser and recapture only if there is no resale to such a purchaser.

“Recapture” for purchaser-based assistance has a five-year restriction and the maximum assistance amount is limited to 5 percent of a property’s purchase price up to a maximum of \$10,000. The recapture provision works as follows: A homeowner wishing to sell a unit within five years of the date of the deed rider may sell the unit to a third party free of any restrictions as long as the assistance amount is paid to DHCD. The recapture amount can never be greater than the net sales proceeds.

“Resale” for project-based assistance works as follows: If a homeowner wishes to sell a unit within 15 years (or greater) of the date of the deed rider, the “Grantor” (i.e., non-profit sponsor/municipality) and DHCD has the right of first refusal to either purchase the unit itself or locate a HOME-eligible first-time homebuyer to purchase the unit within 145 days. A sale to the Grantor, DHCD or a HOME-eligible buyer is at the “Base Price”, which is the sum of the purchase price paid by the homeowner, the cost of any approved capital improvements paid by the homeowner, and a return on the owner’s equity. If neither grantor, DHCD, nor an eligible purchaser buys the unit, it may be sold to any third party at the fair market value and free of restrictions, provided that the “recapture amount” is paid to DHCD. The recapture amount is the greater of the HOME “assistance amount” reduced by one-fifteenth for each full year elapsed since the homeowner purchased the unit, and fifty percent of the amount by which the net sale proceeds (the resale price less allowable secured debt, appraisal cost, broker’s fees, and recording costs) exceed the sum of the owner’s down payment, principal payments made on allowable secured debt, and approved capital improvement costs. In no event, will the Recapture Amount be greater than the total amount of secured debt on the property plus broker’s fees, recording costs, appraisal costs and excise taxes incurred with the sale of the property. A sale to a market-rate buyer is subject to DHCD approval, and the sales price should reflect the fair market (i.e., unrestricted) value of the unit determined by the appraisal at the time of resale.

Eligible Applicants for HOME Funding

PROGRAM COMPONENT	ELIGIBLE APPLICANTS
Rental Production	Community Housing Development Organization (CHDO) Non-Profit Developer For-Profit Developer Municipal Entity in Partnership with Non-Profit or For-Profit Developer
First-Time Homebuyer Project	Community Housing Development Organization (CHDO) Non-Profit Developer For-Profit Developer Municipal Entity in Partnership with Non-Profit or For-Profit Developer
First-Time Homebuyer Purchaser	Non-Profit Sponsor Non-Profit Sponsor in partnership with a Municipal Entity Municipal Entity that is <i>not</i> a HOME Entitlement or a member of a HOME Consortium

HOME Match

The resources for the HOME match continue to be the state-funded Massachusetts Rental Voucher Program and the state's Housing Stabilization Fund (both described in this section of the plan). Annual expenditures through these two programs alone are approximately \$38 million. Since states are permitted to "bank" match, that expenditure level would constitute match -- calculated at 25 cents (\$0.25) on the HOME dollar (\$1.00) -- for many years.

HOME Technical Assistance

In 2004, DHCD applied for HOME Technical Assistance in conjunction with Franke Consulting Group, Mostue Associates, Massachusetts Housing Partnership Fund, and Citizens' Housing and Planning Association (the "team"). HUD made an award of \$140,000 to the team. Prior to FY2008, we expect to have used the balance of these funds. In 2007, DHCD applied for an additional award of HOME Technical Assistance funds to continue to provide a comprehensive array of technical assistance and training activities to organizations and projects throughout the Commonwealth and across New England through the New England Housing Network; we plan to resubmit our proposal in 2008 when the SuperNOFA is issued.

In addition to the training described above, DHCD hopes to continue its popular series of Peer to Peer Workshops where the participants are given the control of the agenda, and allowed to get together in discussions with their peers and a seasoned HOME TA provider about practical issues. As many HOME administrators are quite experienced and don't want to sit through lengthy training sessions that offer too much basic "rules" training and not enough practical information about the day-to-day administrative challenges they have in running the program, we've found that the peer session responds to the needs of the seasoned administrator and provides helpful information to the more novice HOME specialist.

The team also would continue to work closely with the local HUD office to provide technical assistance to organizations it has identified. The team also would continue to be available to perform other activities that assist HUD in meeting its community goals. To that end, our process for selecting which organization will receive technical assistance will be flexible and will incorporate HUD's demand response model. DHCD hopes to hear a favorable response to its HOME TA application before the end of FY2008.

HOME Performance Measures

In accordance with CPD Notice 03-09, DHCD's HOME program has been working towards a method of quantifiable performance measurement. Representatives from Massachusetts have participated with the national workgroup which developed the HUD Outcome Performance Measurement System, as outlined in the Federal Register, June 10, 2005. All HOME staff project managers attended HUD-sponsored performance measurement training in the summer of 2006. Two of the Commonwealth's housing and community development objectives are the primary focus of the HOME program:

1. Develop and maintain an adequate supply of safe, decent housing that is affordable and accessible to residents with a range of income levels and household needs, and
2. Expand sustainable homeownership opportunities for low, moderate and middle income families.

DHCD's HOME activities generally fall under the HUD objective:

- Provide decent affordable housing.

In general, the HUD outcome for our activities is:

- Affordability.

To meet these objectives and generate this outcome, DHCD provides funding for rental production, rental rehabilitation, homeownership production and homebuyer assistance. DHCD has begun incorporating the following primary performance measures for each funding type:

Rental Production

- Number of affordable units produced for each income category
- Amount of money leveraged for the rental activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number of children under age 6 within HOME-assisted units
- Number that are accessible under Section 504
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star standards
- Number of units for formerly homeless households and formerly chronically homeless households
- Number of units for former residents of public housing
- Number designated for persons with HIV/AIDS

Rental Rehabilitation

- Number of affordable units preserved for each income category
- Number of minority households assisted
- Number of children under age 6 within HOME-assisted units
- Amount of money leveraged for the rental activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number that are accessible under Section 504
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star standards
- Number of units brought to lead safety standards
- Number of unit-years of extended affordability
- Number of units for formerly homeless households and formerly chronically homeless households
- Number of units for former residents of public housing
- Number designated for persons with HIV/AIDS

Homeownership Production

- Number of affordable units produced
- Amount of money leveraged for the homeownership production activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number that are accessible under Section 504
- Number of children under age 6 within HOME-assisted units
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star standards
- Analysis of the HOME beneficiaries as described below
- Number of homebuyers completing pre and post-purchase counseling

- Number of households coming from subsidized housing
- Number of first-time homebuyers (all DHCD ownership units carry a first-time homebuyer requirement)

Homebuyer Assistance

- Number of homebuyers assisted
- Of the homebuyers assisted, the number that had been residents of public housing, privately subsidized housing, or of a manufactured home community.
- Number of minority households assisted
- Number of household children under age 6 within HOME-assisted units
- Number of homebuyers moving from housing with lead-based paint
- Number of homebuyers who had been homeless
- Number of homebuyers at incomes below 60%, 50%, 30%
- Number of homebuyers that had previously been in an over-crowded or substandard housing situation
- Number of homebuyers completing pre and post-purchase counseling
- Number of first-time homebuyers (all DHCD ownership units carry a first-time homebuyer requirement)

We expect that DHCD's HOME Program's performance measurement standards will continue to evolve, as our experience with the initiative matures and HUD issues further guidance.

Program Specific Requirements

Emergency Shelter Grant (ESG) Program

MASSACHUSETTS ESG PROGRAM FOR FISCAL YEAR 2008

The Commonwealth of Massachusetts has designated the Department of Transitional Assistance (DTA) to distribute its HUD award of Emergency Shelter Grant funding throughout the Commonwealth. Working with the U.S. Department of Housing and Urban Development, the Commonwealth revised its procedures for awarding these grants early in state Fiscal Year 2006.

To distribute ESG funds for providing services beginning in Fiscal Year 2007, DTA issued a statewide competitive procurement which is expected to provide services through Fiscal Year 2009. ESG contracts for state FY 2007 were written for a one year period covering state Fiscal Year 07, with an option to renew for up to a maximum of two additional one year terms. ESG contracts for state FY 2008 were written for a one year period covering state Fiscal Year 08, with an option to renew for up to a maximum of one additional one year term. Each additional term within the three year period will be subject to HUD appropriations and priorities, the guidance of the Commonwealth's administration, the Policy Academy, HUD regulations, the Interagency Task Force and the terms of the issued Request for Responses (RFR).

Process for awarding funds

During federal FY 2003 and 2004, DTA renewed the grants that were awarded in the previous year. EOHHS was the grantee of the ESG funds up until July, 2003 and determined awards under the Emergency Shelter Grant (ESG) program. The transition of Grantee status to DTA from EOHHS in federal FY 2003 required a change in the process for awarding ESG funds. DTA needed to bring the process into compliance with regulations governing DTA's competitive procurement process. The first year of the new competitive procurement process was state FY

2006 and DTA awarded 53 contracts as a result of that procurement. During calendar year 2006, DTA worked with the HUD regional office and for state Fiscal Year 2007, a new procurement was issued to allow the option of contract renewals under certain circumstances. DTA awarded 52 contracts as a result of that procurement. DTA plans to continue to conduct procurements in accordance with the regulations of its oversight agencies. These regulations are designed to ensure that competitive funding requests are evaluated fairly and in accordance with common selection criteria which is provided to potential bidders in the RFR. Additional funds may be awarded on an emergency basis for emergency shelter when sufficient emergency shelter capacity is not available such as for winter or overflow beds.

Allocation of Funds

Notice of funding availability is accomplished through notification of the state agencies' provider networks; notice in state publications and through the Internet Comm-PASS system. Proposals received in response to the RFR are received at DTA, logged, and are first reviewed to determine if they meet the minimum qualification requirements specified in the RFR. All qualified responses received which meet the minimum qualification requirements are evaluated by an ESG Selection Committee. There are generally multiple Selection Committees depending on the number of responses received. Each Selection Committee comprises:

- A member of the Interagency Task Force for Housing and Homelessness (IATF), if available;
- A DTA Contract Manager;
- A state employee who works with homeless individuals and/or families; and
- The Chairperson of the ESG Selection Committees and the recorder of minutes, both of whom participate in all selection committee meetings as non-voting members.

References submitted by an IATF representative who directly manages existing contracts with a bidder may be included in the evaluation of the references in accordance with the terms of the RFR.

After each Selection Committee completes its evaluations, all Selection Committees are convened as a Procurement Management Team (PMT). The PMT then conducts a final evaluation of each combined response to determine which responses received the highest evaluations and should be recommended for selection to the Director of the Housing & Homeless Services Unit. The PMT recommendations are reviewed by the Director. Upon approval, the Director submits them to the Commissioner who makes the final determination of selections and awards.

The minutes of the Selection Committee meetings establish a permanent public record of the basis upon which contracts were evaluated and awarded.

Following the determination of any awards, the Department announces the awards through written notification to successful bidders and to the IATF. The appropriate EOHHS agency contracts with successful bidders, negotiates budgets, and monitors the provider's activities to assist and ensure the provider's compliance with the terms of its contract. DTA maintains oversight responsibilities for administration of ESG grants. For further information, contact the Department of Transitional Assistance at 617-348-5936.

Program Specific Requirements

Housing Opportunities for Persons with AIDS (HOPWA) Program

MASSACHUSETTS HOPWA PROGRAM FOR FISCAL YEAR 2008

Selection of Project Sponsors

The Massachusetts Department of Public Health (MDPH) HIV/AIDS Bureau will use approximately \$190,000 in HOPWA funds during fiscal year 2008 to support housing-related activities. This program will provide funds to support technical assistance services to HIV/AIDS housing providers statewide and facility operating costs for two residential programs.

These programs were originally awarded funds during a statewide procurement of training and technical assistance in state fiscal year 2006 and a housing procurement in fiscal year 2005. Both state and HOPWA funds were allocated during this procurement process. Services funded with state HOPWA dollars will include program support, needs assessment, program evaluation, and determination of training needs as well as facility operating costs for several residential programs. The TA dollars will assist agencies with establishing and updating operational policies and procedures, understanding and maintaining compliance with funding regulations, developing tenant selection policies, and assuring compliance with standards of care. Funds for housing programs will pay for some portion of the facilities' operating costs.

Vendors were selected after comprehensive community and internal review processes. Community review teams, including providers and consumers of HIV/AIDS services and staff of the Massachusetts Department of Public Health and other state agencies, thoroughly reviewed each proposal and offered recommendations. The internal review process that followed involved program and senior staff from the HIV/AIDS Bureau, as well as the community review group facilitators. This group made funding recommendations based on the community review teams' feedback, in addition to an evaluation of past performance, the needs of critical populations, geographic considerations, and epidemiological profiles of each region. A final level of review involved senior staff from the Department of Public Health.

The HIV/AIDS Bureau conducts thorough oversight of all of its contracts. Monitoring mechanisms include an annual submission of a program workplan, system-wide performance measures, client-level data collection, annual site visits, and ongoing fiscal monitoring. Bureau staff members provide technical assistance when necessary and offer regular program development opportunities and trainings that help enhance staff capacity and improve quality throughout the service system.

Program Specific Requirements

Community Development Block Grant (CDBG)

The FY 2008 CDBG One Year Action Plan begins on the following page.

Draft One Year Action Plan

FY 2008

Massachusetts Community Development Block Grant Program

February 2008



COMMONWEALTH OF MASSACHUSETTS
Deval L. Patrick, Governor
Timothy P. Murray, Lt. Governor
Department of Housing and Community Development
Tina Brooks, Undersecretary

FY 2008 ONE YEAR ACTION PLAN - PREFACE

The U.S. Department of Housing and Urban Development (HUD) requires the Commonwealth of Massachusetts, and all other Formula Grantees, to prepare a Five Year Consolidated Plan. The state's Consolidated Plan sets forth long term priorities for the use of funds received from HUD's Community Development Block Grant (CDBG), HOME, Emergency Shelter Grant (ESG), Housing Opportunities for People with AIDS (HOPWA), and American Dream Downpayment Initiative (ADDI) programs, and from other state and federal sources.

The preparation of this One Year Action Plan has considered and been informed by the previous development of the FY 2005-2009 Five-Year Consolidated Plan and the 2008 Annual Update. Publication of the draft Massachusetts CDBG One-Year Action Plan takes place in advance of the Five Year Consolidated Plan/Annual Update public participation schedule that incorporates the HOME, ESG, HOPWA and ADDI programs. DHCD will hold informational sessions on CDBG program changes considered for FY 2008 (the Draft CDBG One Year Action Plan) in October 2007, and expects to hold formal public hearings on the overall Annual Update of the FY 2005-2009 Consolidated Plan, including the One Year Action Plan in January 2008.

DHCD encourages communities to approach CDBG projects in a comprehensive and integrated manner and encourages communities to target their CDBG funds to particular geographic areas in order to impact and effect change within neighborhoods. This approach is in line with HUD's emphasis on coordinating funding and enhancing communities' ability to engage in comprehensive revitalization strategies. DHCD is seeking to assess the impact of CDBG investment in distressed areas through the focused targeting of financial and technical assistance resources. DHCD is encouraging communities in their planning processes to think comprehensively about community development – to consider planning and implementing projects that promote compact development, expand housing opportunities, and demonstrate measurable change in an area.

DHCD's intent is to provide for a number of activities that concentrate investments making measurable improvements in distressed neighborhoods. Comprehensive approaches to meeting the needs of these areas should be designed to improve the physical, social and economic conditions of low- and moderate- income families and neighborhoods.

Communities are encouraged to submit applications that include activities that are integrated with one another and targeted to a particular neighborhood or geographic area. For example, we are seeking applications that include a housing rehabilitation program that is targeted to a particular area, an infrastructure or playground improvement project to be undertaken in that same area, and perhaps also social service programs that will serve the residents of that same area. DHCD acknowledges that establishing such a program entails comprehensive planning and envisions that the Community Development Strategy will serve to inform this process. It is DHCD's expectation that for FY 2008, applicants will report on FY 2006 and 2007 activities funded in previously identified target areas in support of their FY 2008 applications.

HIGHLIGHTS/CLARIFICATIONS/PROPOSED CHANGES IN DRAFT FY 2008 ONE-YEAR PLAN

PROPOSED CHANGES

- **Web-based grant management system** - For FY 2008, all applications, with the exception of the Housing Development Support Program (HDSP), will only be accepted using DHCD's web-based system. Further details and training information will be available as application materials and details are released.
- **Community Development Strategies** will continue to be evaluated to determine adequacy, and as previewed in the FY 2007 One-Year Plan, two new criteria (items c. and d. below) have been added to the list of criteria by which Community Development Strategies will be evaluated. They relate to the identification of geographic target areas and to the timeliness of a pre-application public forum. Any grant award to municipalities with CD Strategies that do not meet the four criteria below will be subject to special conditions that address Community Development Strategy criteria.

- c. The CD Strategy must describe the manner in which a community has identified and will accomplish projects and activities which include, but are not limited to, the subject CDBG application.
 - d. The CD Strategy must conclude with a list of projects and activities in order of the priority in which the community intends to undertake them.
 - c. The CD strategy must identify the geographic target areas, if any, that are intended as the focus of community development efforts.
 - d. CDBG applications must document that a CD Strategy and its priority list were discussed at a separate public forum, meeting or hearing, held at least two (2) months prior to the submission of a CDBG application in order to allow for timely community input. Compliance with this requirement must be documented by copies of meeting announcements, attendance lists and minutes. Minutes must reflect that the CD Strategy and priority list have been presented and that discussion has occurred. Please note that, while CD Strategies are valid for a period of three (3) years, the public forum is required annually. This requirement will not apply to EDF or to HDSP.
- **Mini-Entitlements** - DHCD has identified eleven Mini-Entitlement communities for FY 2008 and FY 2009. These communities will be required to approach CDBG projects in a coordinated and integrated manner and to target their CDBG funds to particular geographic areas in order to impact and effect change within neighborhoods and to serve an identified neighborhood or target area.
 - **Bid-ready plans and specifications** - DHCD continues to require bid-ready plans and specifications for all public facilities and architectural barrier removal projects of \$100,000 or more. The standard however is changed from total project cost to construction cost. Design development drawings are required for public facilities and architectural barrier removal projects or equivalent site and landscaping plans for Playground/Park projects, with a total construction cost of more than \$25,000 but less than \$100,000.
 - **Housing Development Support Program** - 1) Projects involving the rehabilitation of existing housing units in downtown and village center buildings, or the conversion to housing of upper story space in downtown and village center buildings, as well as other adaptive reuse proposals, may consist of up to 10 units. Single Room Occupancy (SRO) projects are the only other projects eligible to exceed the 7 or 10 unit HDSP unit maximum. 2) Total HDSP cost should not exceed \$125,000 per unit. On a case by case basis, DHCD will consider Notices of Intent with projects that exceed that cap due to local market conditions or unique project factors.
 - **Public housing projects** - DHCD will no longer consider CDBG funding requests for state public housing modernization projects.
 - **Slum and Blight Designation** - Beginning immediately, DHCD will accept documentation from communities seeking slum and blight designation for a target area on an ongoing basis, but no later than thirty (30) calendar days prior to the submission of a CDBG application for which designation is to be considered. DHCD approval of a slum and blight target area does not qualify an activity or a project proposed in the target area as meeting the national objective or other CDBG threshold criteria. Each activity or project must meet the program criteria in effect at the time of application.
 - **Sustainable Development Principles** have been revised; implementation guidance is included as Exhibit 6.
 - **Commonwealth Capital Application** is no longer required for communities applying to HDSP and EDF.

CONTINUING REQUIREMENTS

- FY 2008 applications will require descriptions of past outcomes and anticipated measurable improvements using the performance measures defined in the Performance Outcome Measurement System distributed by HUD.
- Per application, fifty percent (50%) of the funding for Public Social Services must support activities that build economic security and self-sufficiency. The following are examples of Public Social Services that meet this definition. Two new services, Earned Income Tax Credit (EITC) Counseling and Preparation, and Mortgage Foreclosure Prevention Counseling have been added to the list below:
 - ✓ ABE/GED classes
 - ✓ Domestic Violence Prevention
 - ✓ *Earned Income Tax Credit (EITC) Counseling and Preparation*
 - ✓ Elder Self-Sufficiency
 - ✓ English for Speakers of Other Languages (ESOL)
 - ✓ Financial Literacy
 - ✓ Homebuyer Counseling
 - ✓ Individual Development Accounts (IDAs)
 - ✓ Job Training
 - ✓ Job-Related Childcare Assistance
 - ✓ Job-Related Transportation Assistance
 - ✓ Literacy Programs and Training
 - ✓ *Mortgage Foreclosure Prevention Counseling*

In requesting a Public Social Services activity, applicants must demonstrate that the activities have been prioritized at the local level. This prioritizing must demonstrate an understanding of the local Community Action Agency needs assessment and not be inconsistent with such Agency's assessment of service needs. Applicants may apply for no more than five (5) Public Social Service activities per program year.

- The value of the Community Wide Needs Scores is 35 points. CWN scores have been updated with the most recent data (Unemployment Rate, Levy per Capita as a Percent of Per Capita Income, and HUD Low- and Moderate-Income data). A community is eligible to apply to CDF 1 if its CWN score is equal to or greater than 25; for CDF 2, a community's CWN score must be equal to or less than 24.
- Regional activities that meet all thresholds, including a minimum project score, will receive five (5) bonus points. Regional activities are defined as housing rehabilitation in multiple communities, social services provided to multiple communities, shared facilities or planning/design activities that will be administered and bid collectively on behalf of regional participants.

Each community in a regional application must comply with the same requirements as individual communities in individual applications, in order to participate in a regional grant. Communities that fail to comply with any requirement will be dropped from consideration as a regional participant and the application will be reviewed on the basis of those communities that have complied with the requirements. As a result, the number of participating communities and/or the dollar amount requested in a regional application may be reduced during the review process.

An application will not be considered a regional application if the only activity (or activities) proposed to take place in more than one of the applicant communities is public social services.

- Applications may receive five (5) bonus points when activities are targeted to a geographic area. Applicants will demonstrate this through an additional narrative listing the CDBG-funded activities, the target area and anticipated measurable improvements that will result. Communities with populations under 5,000 may define their entire community as a target area.
- Five additional points are available to applicants proposing multiple activities in a target area and that demonstrate that the activities are coordinated and integrated. A minimum of at least two activities must be fundable. Public social services may be counted as one of the two required activities but will not result in additional funding. An additional five (5) points will also be awarded if an applicant demonstrates that non CDBG-funded activities, consistent with the applicant's Community Development Strategy and complementary to the requested CDBG activities, are also targeted to the same geographic area and will also result in measurable improvements.
- FY 2007 CDF II grant recipients will be precluded from applying for FY 2008 funds except to implement previously funded design or planning projects. FY 2007 CDF II grant recipients designated as FY 2008 CDF I-eligible communities in Exhibit 3: Program Eligibility and Community-Wide Needs Scores are not subject to this prohibition.
- Planning activity packets will be scored using Project Need and Impact criteria only and must receive at least half the available points for each criterion. Planning activity scores however, will not be included in the averaging of activity scores.
- In order to apply for CDBG funding, a community must demonstrate, using the most recent financial status reporting, that as of the application due date it has no more than \$400,000 in unexpended CDBG program funds for all active grants awarded prior to July 31, 2006. DHCD no longer accepts waiver requests for the timely expenditure threshold. Furthermore, unexpended CDBG funds are defined as funds awarded for eligible Massachusetts CDBG program costs but not expended.
- The feasibility of applications is scored, in part, based on the completeness of environmental review prior to application submission.
- DHCD will continue to implement HUD's Outcome Performance Measurement System. The system incorporates the following three Objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. The system directs applicants/grantees to select an Objective coupled with one of the following three Outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities.
- DHCD reserves the right to solicit additional information from applicants in order to confirm or clarify factual or procedural responses to application requirements such as copies of legal advertisements, minutes, survey instruments, letters, etc. Acceptance of these materials is subject to DHCD's satisfaction that the omitted material was in existence at the time of application and submission of the requested documents within a specified timeframe. Additional information regarding responses to competitive questions will not be accepted.

FY 2008 Action Plan

- All projects must be consistent with the sustainable development principles listed in Exhibit 5. Guidance on this threshold may be found in Exhibit 6. This threshold does not apply to Public Social Services, business assistance for projects not requiring construction, or projects that eliminate a public health or safety risk (e.g., demolition of a blighted structure).
- Housing rehabilitation programs and public facilities projects are required to use Energy Star building performance standards in FY 2008. Those standards are found at www.energystar.gov. Streetlights installed as part of a road or streetscape improvement project must be “full cut-off” or “semi cut-off” fixtures.
- Communities seeking CDBG funds for senior center projects must request elderly low- and moderate-income household data from DHCD prior to submitting an application. Please contact Karen Bresnahan of the Policy and Planning Unit at (617) 573-1441 or Karen.Bresnahan@ocd.state.ma.us to request this information.
- Most economic development activities will apply under the Economic Development Fund (EDF). The range of economic development activities that may apply to EDF include those eligible under HCDA Sections 105 (a)(17) and (a)(22), Assistance to For-Profits and Microenterprise Assistance, respectively. In limited circumstances (i.e., when related to economic development projects leading to job creation or retention), applications will be accepted for other eligible activities identified in HCDA Section 105 (a), especially Sections 105 (a)(1), (a)(2), (a)(4), (a)(12), (a)(14), (a)(15) and (a)(19). Additionally, EDF will accept applications for Public Social Services activities supporting community economic development programs eligible under HCDA Section 105 (a)(15), provided they are specifically designed to increase economic opportunities through job training and placement, and other employment services including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services. Public Social Services activities under Section 105 (a)(15) are subject to Public Benefit rules.

CDF and Mini-Entitlement applications may still include certain economic development-related activities, including Public Social Services activities that support economic development and downtown/commercial target area related projects and activities, which include facade/sign programs and/or streetscape improvements. Applications for downtown/commercial target area related projects and activities will not be accepted in the EDF.

- In HDSP, projects other than SROs that include at least one (1) affordable three-bedroom unit, with no other unit smaller than one bedroom, will receive additional scoring consideration.
- Application due dates are proposed as follows:

CDF:	Application due Friday, February 15, 2008
Mini-Entitlement:	Application due Friday, February 15, 2008

HDSP: Notice of Intent due September 27, 2007

EDF: All program components in the Economic Development Fund have rolling applications.

MASSACHUSETTS CDBG ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2008

INTRODUCTION:

This One Year Action Plan describes the proposed use of Community Development Block Grant (CDBG) funding received by the Commonwealth of Massachusetts. The CDBG Program is a significant source of federal funding administered by the Department of Housing and Community Development, supporting a variety of community development efforts to revitalize our communities, meet the housing and service needs of our low and moderate-income population, build and repair infrastructure vital to the health and safety of residents, and support business development and retention. The One Year Plan addresses the basic features of the state's CDBG program, the applicable federal regulations and requirements governing state and local administration of this program, and the state's policies, administration responsibilities, and description of the program components.

In its administration of CDBG funding, DHCD is committed to:

- Programs and funding that primarily target populations of low- and moderate-incomes, and those with special needs, in communities with the greatest level of demonstrated need;
- Coordinated, integrated and balanced agency responses to address the needs and interests of communities;
- Programs and technical assistance designed to facilitate informed decision-making about community development opportunities at the local level, and to encourage self-sufficiency of residents and communities;
- Projects that are consistent with the Commonwealth's Sustainable Development Principles; and
- Sound business practices that ensure the highest standards of public accountability and responsibility.

For FY 2008, DHCD will continue to implement HUD's Outcome Performance Measurement System. The proposed system incorporates the following three Objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. The system directs applicants/grantees to select an Objective coupled with one of the following three Outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities. Therefore, for each proposed activity the applicant will select one of nine Outcome Statements. The proposed system will not change the nature of the program or its regulations. The Massachusetts CDBG Program currently asks applicants to describe the need the activity addresses, as well as the anticipated impact. This system creates a framework that allows for consistent reporting to HUD on a national level.

The One Year Action Plan is organized into the following sections:

- | | | |
|---------|----|----------------------------------------------------------------|
| SECTION | A. | Massachusetts CDBG Priorities |
| | B. | Eligible Municipalities |
| | C. | Eligible Projects/Use of CDBG Program Funds |
| | D. | Applicant/Project Threshold Criteria |
| | E. | Allocation of CDBG Funds to the Commonwealth |
| | F. | Availability of CDBG Program Funds |
| | G. | Evaluation Criteria for All Program Components |
| | H. | Program Sanctions |
| | I. | Citizen Participation Requirements for Applicants and Grantees |
| | J. | CDBG Program Components (description) |

A. MASSACHUSETTS CDBG PRIORITIES

FY 2008 Action Plan

The Community Development Block Grant (CDBG Program) was authorized by Congress, and is funded under Title I of the Housing and Community Development Act of 1974, as amended. The Commonwealth of Massachusetts has designated the Department of Housing and Community Development (DHCD) as the state's administering agency for CDBG funding. The primary objective of the federal statute creating the CDBG Program is: "...to develop viable, urban communities by providing decent housing and suitable living environment and expanding economic opportunities principally for low- and moderate-income persons." DHCD will fund eligible projects designed to meet this objective, and that are consistent with the Commonwealth's sustainable development principles listed in Exhibit 5. DHCD encourages:

- development and preservation of affordable housing;
- proactive and coordinated planning oriented towards both resource protection and sustainable economic activity;
- coordinated, integrated community development initiatives that are targeted to neighborhoods or particular geographic areas, that meet the needs of these areas, and are designed to demonstrate measurable improvements in the physical, social, and economic conditions of the area;
- community revitalization that is integral to community development;
- public social services designed to build economic security and self sufficiency; and
- broad local participation in meaningful community-based planning that assesses needs and identifies strategies for addressing those needs.

The Act requires that at least 70 percent of CDBG assistance shall be used to support activities that directly benefit low- and moderate-income citizens of the Commonwealth. In addition, the Massachusetts CDBG Program encourages joint or regional applications so that program funds will be used to benefit a greater number of municipalities.

B. ELIGIBLE MUNICIPALITIES

There are 351 municipalities incorporated in Massachusetts. The U.S. Department of Housing and Urban Development (HUD) has designated 36 as CDBG *entitlement* communities; in general, these communities exceed 50,000 in population and receive CDBG funds directly from HUD. Any city or town **not** designated as an entitlement community by HUD may apply for and receive Massachusetts Community Development Block Grant funds. (Refer to Exhibit 1 for a listing of Massachusetts' entitlement communities.)

C. ELIGIBLE PROJECTS

The following projects are eligible for funding under the Massachusetts Community Development Block Grant Program:

- planning;
- housing rehabilitation and creation of affordable housing;
- economic development projects which create and/or retain jobs including awards to existing regional entities for regional economic development loan funds;
- efforts directed toward rehabilitation and stabilization of existing neighborhoods, commercial areas and downtowns;
- infrastructure;
- construction and/or rehabilitation of community facilities; and
- public social services.

DHCD has designed several Massachusetts CDBG program components to fund such projects. Each program component responds to particular community development needs. The rules and program guidelines are set forth in Section J: *PROGRAM COMPONENTS*.

LIMITATIONS ON USE OF PROGRAM FUNDS

- ❖ **Buildings used for the general conduct of government** – Assistance related to buildings used for the general conduct of government is specifically excluded from the program by federal statute, except for the removal of existing architectural barriers to improve handicap access. Such work is permitted on municipal buildings such as city or town halls, public works structures, public safety buildings, etc.; however, the use of CDBG funds is limited to the relevant barrier removal work and directly related and required construction.
- ❖ **Public housing projects** - DHCD will no longer consider CDBG funding requests for state public housing modernization projects.
- ❖ **Public Social Services**
 1. Public Social Services projects are not eligible as a “stand-alone” application under Community Development (CDF) I, II or Mini- Entitlement grants. Furthermore, an application will not be considered a regional application if the only activity proposed to take place in more than one of the co-applicant communities is public social services.
 2. Public Social Services cannot exceed 20% of a CDF I, CDF II, or Mini- Entitlement grant. Fifty percent (50%) of grant funds awarded to support Public Social Services must fund services that are designed to build economic security and self sufficiency. The following are Public Social Services that meet this definition:
 - ABE/GED classes
 - Domestic Violence Prevention
 - Earned Income Tax Credit (EITC) Counseling and Preparation
 - Elder Self-Sufficiency
 - English for Speakers of Other Languages (ESOL)
 - Financial Literacy
 - Homebuyer Counseling
 - Individual Development Accounts (IDAs)
 - Job Training
 - Job-Related Childcare Assistance
 - Job-Related Transportation Assistance
 - Literacy Programs and Training
 - Mortgage Foreclosure Prevention Counseling

In describing a requested Public Social Services activity, applicants must demonstrate that the activities have been prioritized at the local level in order to determine the request for services. Such prioritizing must demonstrate an understanding of the needs assessment undertaken by the community's Community Action Agency and not be inconsistent with such Agency's assessment of service needs.

Applicants may apply for no more than five Public Social Services activities.

(Note: The 20% limit does not apply to social services designed and provided solely to support micro-businesses, or public social services that increase employment through job training or other related activities when carried out by eligible non-profit development organizations under 105(a)(15). These activities must apply under the EDF as part of a Community Economic Development project.)

FY 2008 Action Plan

3. Communities must demonstrate that, in accordance with Section 105(a)(8) of the Housing and Community Development Act, proposed social service activities have not been funded by the community using municipal and/or state funds within 12 months prior to the application.
 4. DHCD will fund public social service projects that are not provided by other state or federal agencies, or are currently provided but are not available to CDBG-eligible residents in the applicant communities.
 5. Planning funds may not be used to plan for public social service programs except as part of a broader community development planning project.
- ❖ **Downtown/commercial target area related projects** – Communities may apply for funds for downtown or commercial district related projects under CDF I, CDF II, and the Mini-Entitlement Program. Conditions listed below apply to CDF I, CDF II, and the Mini-Entitlement Program. Such projects may include sign/facade programs and streetscape improvements, or other infrastructure improvements located in a downtown or commercial district revitalization target area that is defined in the Community-Based Planning documents and delineated in the slums and blight documentation supporting the Community Development Strategy.
1. DHCD may fund projects that support physical downtown and commercial area revitalization efforts; however, communities may apply to Mass CDBG for downtown/commercial target area related projects in their downtown or commercial target areas only if a) they have satisfactorily demonstrated to DHCD that the proposed project is located in an area meeting National Objective requirements set forth in the Application Guidance on Threshold Questions, and b) their community development strategy (see page 5) contains a downtown or commercial area revitalization element.
 2. CDBG funds **cannot** be used to fund overhead costs or management salaries related to the operation of a downtown organization, nor can they be used for any organizational development for a downtown organization or committee.
- ❖ **15 Year Housing Affordability Term** – In an effort to increase the supply of affordable housing, all projects supporting the creation, preservation, and rehabilitation of rental and owner-occupied housing units must be affordable to low and moderate income households for at least a 15-year period. Rehabilitation assistance for owner-occupied properties must be secured by a mortgage or lien on the subject property that includes language restricting rent levels in low and moderate income units for a minimum of fifteen years – or as long as the loan is outstanding. Rehabilitation assistance for investor-owned properties must be secured by a mortgage or lien, and the affordability requirements must be secured by an Affordable Housing Restriction [provided by DHCD] on the subject property that runs with the land, and that includes language restricting rent levels in low and moderate income units for a minimum of fifteen years. “Owner-occupied” is defined as a property of no more than four (4) units, one of which is occupied by the owner. All other properties are considered “investor owned.”

D. APPLICANT/PROJECT THRESHOLDS

It is the responsibility of the applicant to ensure adherence to the applicable threshold(s). The following standard threshold criteria (#1 through #8) apply to all applications:

1. **Eligibility** – The project must be eligible as defined in §105(a) of Title 1 of the Housing and Community Development Act, as amended.
2. **National Objective** – Each project must meet one of three federal national objectives as defined below and in federal regulations 24 CFR 570.483:

- a. benefit a majority of low- and moderate-income persons;
- b. aid in the prevention or elimination of slums or blight; or
- c. meet an urgent condition posing a serious threat to the health and welfare of the community and where other financial resources are not available to meet such needs. This objective is extremely difficult to meet and is generally limited to unexpected events such as natural disasters. Prior approval from Massachusetts CDBG must be obtained to use this national objective.

3. **Timely Expenditure** – Mass CDBG requires that all applicants – including lead applicants and joint participants – who have received grants comply with a timely expenditure threshold in order to apply for FY 2008 programs. If a joint participant has been a lead grantee in a CDBG grant, that community must meet the timely expenditure threshold in order to be included in a joint application. In order to apply for CDBG funding, a community must demonstrate, using the most recent financial status report, that as of the application due date it has no more than \$400,000 in unexpended CDBG² program funds for all active grants awarded prior to July 31, 2006.

Active grants include those for which project activities have yet to be completed and payments are outstanding. All lead applicants and participating applicants must meet this standard. An applicant must meet this threshold requirement at the time of application for all Mass CDBG components. Communities that do not meet this threshold will be eliminated from further Mass CDBG funding consideration. No waivers will be granted for the timely expenditure threshold. *Unexpended CDBG funds* are defined as funds awarded for eligible Massachusetts CDBG program costs but not expended.

4. **Displacement of Non-CDBG Funds** – Applicants shall certify in the application that CDBG funds will not be used to displace non-CDBG funds already appropriated by or to the community for a specific project. DHCD will reduce an award, deny a grant, or impose special conditions in a grant contract with that community to assure compliance with this requirement.

5. **Sustainable Development** – In order to receive funding a project or activity must be consistent with the Sustainable Development principles. Additional guidance on this threshold may be found in Exhibit 6. This threshold does not apply to Public Social Services, business assistance for projects not requiring construction, or projects that eliminate a public health or safety risk.

In addition, housing rehabilitation programs and public facilities projects are required to use Energy Star building performance standards. Those standards are found at www.energystar.gov. Streetlights installed as part of a road or streetscape improvement project must be “full cut-off” or “semi cut-off” fixtures.

6. **Community-Based Planning Requirement** – The Department supports municipal efforts to engage in community-based planning, conduct needs assessments, and identify strategies for addressing those needs. DHCD seeks to fund projects identified through meaningful, public community-based planning and priority setting processes. Therefore projects must be consistent with community efforts to identify needs and engage in strategic planning for addressing those needs. *This helps to ensure that local needs have been identified and priorities determined in a comprehensive manner, and public resources are directed toward projects that address needs the community has identified as high priority.* All applicants and participants³ must have engaged in a community-based planning

² CDBG includes CDF I and II, Mini-Entitlement, HDSP, EDF grants, and Reserves, but for the purposes of this calculation excludes loans from EDF, Section 108, and Bridge Financing Program. Planning-only grants of \$50,000 or less are also excluded from this calculation.

³ This includes regional applicants.

process and be able to demonstrate project consistency with a Community Development Strategy, (not to exceed seven [7] pages), that must be included in the application.

The Strategy serves to summarize various planning documents used by a community, and to outline a plan of action intended to accomplish specific community development goals that will have an impact on the community. Therefore, each Strategy can reference various planning documents approved by a locally elected or appointed body, or by Town Meeting, but *it is important that the Strategy reflect a comprehensive, integrated approach to the municipality's community development priorities*. The Strategy must also discuss how the community will plan for and implement projects that are consistent with the Commonwealth's Sustainable Development Principles.

Each activity included in a Massachusetts CDBG application must relate to and be reflected in the Strategy. The Strategy must explain how the community expects to address the priorities with CDBG and non-CDBG funds over a 3-5 year period.

The Community Development Strategy may reference or incorporate findings of relevant plans and analyses that have been completed and used for decision-making purposes by municipal boards, agencies and departments. Such plans may include but are not limited to EO 418 Community Development Plans, EO 418 housing strategies, Capital Improvement Plans, Master Plans, Downtown Plans, Open Space and Recreation Plans, Area Revitalization Strategies, Urban Renewal Plans, the regional Comprehensive Economic Development Strategy, and a Community Action Statement (CAS). The strategy must be discussed in a public forum, meeting, or hearing held at least two (2) months prior to the submission of a Mass CDBG application.

DHCD will evaluate the submitted Community Development Strategy to determine its adequacy. The Strategy must be determined to be adequate or the application will be subject to special conditions regarding the CD strategy. DHCD will use the following four criteria to make this determination:

- a. The CD Strategy must describe the manner in which a community has identified and will accomplish projects and activities which include, but are not limited to, the subject CDBG application.
- b. The CD Strategy must conclude with a list of projects and activities in order of the priority in which the community intends to undertake them, and provide specific goals and annual timelines for accomplishing its goals.
- c. The CD strategy must identify the geographic target areas, if any, that are intended as the focus of community development efforts.
- d. CDBG applications must document that a CD Strategy and its priority list were discussed at a separate public forum, meeting or hearing, held at least two (2) months prior to the submission of a CDBG application in order to allow for timely community input. Compliance with this requirement must be documented by copies of meeting announcements, attendance lists and minutes. Minutes must reflect that the CD Strategy and priority list have been presented and that discussion has occurred. Please note that, while CD Strategies are valid for a period of three (3) years, the public forum is required annually. This requirement will not apply to EDF or to HDSP.

An applicant may submit a Community Development Strategy and supporting documentation that was previously developed within the past three years. Changes in priorities or the addition of target areas may be made at any time but must be presented to the public, as above, prior to being included in a subsequent application.

7. **Outcome Performance Measurement System** – HUD issued a Final Notice on March 7, 2006 on its Outcome Performance Measurement System. Through the system HUD will collect information on activities undertaken in the following programs: HOME, CDBG, HOPWA and ESG, and aggregate that data at the national, state, and local level. The outcome measures framework contained herein will satisfy the requirements contained in the HUD notice, along with any revisions adopted by HUD.

FY 2008 Action Plan

The system incorporates the following three objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. Beyond that, the system directs applicants/grantees to select from one of the following three outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities.

Based on the applicant's purpose for undertaking a project or activity, the applicant will determine and state in the application what the intent of the project is with one of the nine Outcome Statements.

The system will not change the nature of the program or its regulations. The Massachusetts CDBG Program currently asks applicants to describe the need the activity addresses, as well as the anticipated impact. This system creates a framework that allows for a consistent reporting to HUD on a national level.

Each outcome category can be connected to each of the overarching statutory objectives, resulting in a total of nine groups of outcomes/objective statements under which the grantees would report the activity or project data to document the results of their activities or projects. Each activity will provide one of the following statements, although sometimes an adjective such as new, improved, or corrective may be appropriate to refine the outcome statement.

- Accessibility for the purpose of creating suitable living environments
- Accessibility for the purpose of providing decent affordable housing
- Accessibility for the purpose of creating economic opportunities
- Affordability for the purpose of creating suitable living environments
- Affordability for the purpose of providing decent affordable housing
- Affordability for the purpose of creating economic opportunities
- Sustainability for the purpose of creating suitable living environments
- Sustainability for the purpose of providing decent affordable housing
- Sustainability for the purpose of creating economic opportunities

In addition, there are certain data elements commonly reported by all programs, although each of the four programs may require different specificity or may not require each element listed below. Grantees will only report the information required for each program, as currently required. No new reporting elements have been imposed for program activities that do not currently collect these data elements. The elements include:

- Amount of money leveraged (from other federal, state, local, and private sources) per activity;
- Number of persons, households, units, or beds assisted, as appropriate;
- Income levels of persons or households by: 30 percent, 50 percent, 60 percent, or 80 percent of area median income, per applicable program requirements. However, if a CDBG activity benefits a target area, that activity will show the total number of persons served and the percentage of low/mod persons served. Note that this requirement is not applicable for economic development activities awarding funding on a "made available basis;"
- Race, ethnicity, and disability (for activities in programs that currently report these data elements)

Finally, grantees will report on several other indicators, required as applicable for each activity type. These will be established in each program component application, and within the grant management system.

HUD will combine the objectives, outcomes, and data reported for the indicators to produce outcome narratives that will be comprehensive and will demonstrate the benefits that result from the expenditure of these federal funds.

8. **Regional Applications** – Each community in a regional application must comply with the same requirements as individual communities in individual applications, in order to participate in a regional grant. For example, each participating community must have a Community Development Strategy that is found to be adequate, the community must have been identified and be part of the required public participation/hearing process and the community must submit all required signatures. Communities that fail to comply will be dropped from consideration as a regional participant and the application will be reviewed on the basis of those communities that have complied with the requirements. As a result, the number of participating communities and/or the dollar amount requested in a regional application may be reduced during the review process.

Additional threshold criteria #9 through #12 apply to specific program applications or types of projects.

9. **Public Benefit Standards** – Economic development projects that are eligible under Title I of the Housing and Community Development Act of 1974, Sections (14), (15) and (17) must meet CDBG standards of underwriting and public benefit. Eligible projects under 105(a)(2) may also be required to meet public benefit standards when undertaken for Economic Development purposes.

10. **Senior Center Projects** – Applicants for Senior Center projects must meet the following threshold requirements to have their applications reviewed and scored:

- (i) provide evidence of site control⁴ by the municipality, as attested to by the Mayor or Board of Selectmen,
- (ii) provide documentation of the availability and commitment of any other funds necessary to complete the project, and
- (iii) provide one copy of the bid-ready plans and specifications,⁵ prepared by a licensed architect or engineer (modular construction may require a lesser standard – see Project Threshold Criteria #11).

CDBG-assisted senior center projects funded in FY 2003 or later may not receive subsequent CDBG assistance for additional construction or reconstruction until five (5) years have passed since the grant closeout date. Communities seeking CDBG funds for senior center projects must request elderly low- and moderate-income household data from DHCD prior to submitting an application.

11. **Architectural Barrier Removal** – A municipality applying for assistance with an architectural barrier removal project must submit a copy of its locally approved Americans with Disabilities Act (ADA) Self Evaluation Survey and Transition Plan. The ADA was enacted in 1990 and requires local governments to evaluate for accessibility all of its programs and services that had not previously been reviewed under Section 504 of the Rehabilitation Act of 1973. The Act also required preparation of a Transition Plan for removal of programmatic and structural barriers to its programs and services, and set forth a process for involving the community in the development of the Self Evaluation Survey and Transition Plan. Programmatic removal of barriers must be fully explored before considering CDBG funding for structural barrier removal. Completion of the Transition Plan is a required threshold for Architectural Barrier Removal applications.

It is the responsibility of each community to ensure that its Transition Plan is consistent with federal regulations. A community's request for Mass CDBG funding must be consistent with the priorities set forth in these locally developed documents. Communities may wish to contact the Massachusetts Office on Disability or the U.S. Department of Justice for specific questions regarding the ADA and the Rehabilitation Act of 1973.

⁴ Evidence of site control may include but is not limited to a deed, long-term lease agreement, purchase and sale agreement, or other contract or legal document.

⁵ Bid-ready plans and specifications are those construction documents that constitute a presentation of the complete concept of the work including all major elements of the building and site design. The bid documents shall set forth in detail and prescribe the work to be done by the construction specifications; the materials, workmanship, finishes and equipment required for the architectural, structural, mechanical, electrical and site work; and the necessary solicitation information. Drawings shall include the following: a) Site plan showing the location and type of building; b) Scale plans of the building; c) Wall sections, details, and elevations in sufficient detail to serve as a basis for a construction estimate; d) All other required architectural, civil, structural, mechanical and electrical documents necessary to complete the project.

Applications for Architectural Barrier Removal projects with a total construction cost of \$100,000 or more require bid-ready plans and specifications in each copy of the application. Projects less than \$100,000 but more than \$25,000, require design development drawings.

Finally, when used for Architectural Barrier Removal, CDBG funds may be used only for the relevant barrier removal work and directly related and required construction. CDBG funds cannot be used to address building code or local requirements that are not directly part of the removal of the architectural barrier.

12. **Bid-ready Plans and Specifications** - Bid-ready plans and specifications are required for all public facilities and architectural barrier removal projects with a construction cost of \$100,000 or more (see definition in footnote #4). Design development drawings are required for public facilities and architectural barrier removal projects or equivalent site and landscaping plans for Playground/Park projects, with a total construction cost of more than \$25,000 but less than \$100,000.

In addition, DHCD recognizes that this requirement may be problematic for communities considering modular construction projects. To satisfy these concerns, in order to apply for assistance to undertake modular construction a community may instead provide DHCD with a reasonable cost estimate for the project. Detailed backup for the total costs for modular construction projects must include the cost of site preparation, off-site construction of the modular unit, and the cost of delivering and assembling the modular unit including all work necessary - including but not limited to all utility work and sub-trades - to result in the issuance of an occupancy permit. To accomplish this, the community must provide the following: the program for the building; plans, specs, and prices of comparable unit(s) from a manufacturer; evidence of the manufacturer's ability to deliver the unit during the timeframe for construction identified in the grant application; and a site plan.

E. ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH

The federal Fiscal Year 2008 HUD allocation to the Commonwealth of Massachusetts is expected to be approximately \$33,553,851. DHCD's funds are subject to availability from the federal government, which is contingent on the federal budget and appropriations process and the HUD allocation process. In addition to the HUD allocation DHCD expects to receive approximately \$600,000 in program income, for a total of \$34,153,851 available for FY 2008. These funds will be distributed during the program year to eligible cities and towns in accordance with the allocation among program components outlined below. If changes to this distribution become necessary, procedures outlined below explain how such changes will be made.

MA CDBG PROGRAM COMPONENT	FY 2008 ESTIMATED ALLOCATION
Community Development Fund I	\$14,229,237
Community Development Fund II	\$2,200,000
Mini-Entitlement Program	\$8,800,000
Housing Development Support Program	\$1,700,000
Economic Development Fund (includes \$600,000 in program income)	\$1,000,000
-Bridge Financing*	\$5,000,000
-Section 108 Loan Guarantee*	\$2,000,000
Reserves	\$4,700,000
Section 108 Loan Repayments** (No. Adams, Everett)	\$418,000
Administration and Technical Assistance	\$1,106,614
TOTAL AVAILABLE (includes \$33,553,851 allocation plus \$600,000 in program income)	\$34,153,851
*Bridge Financing and Section 108 Loan Program allocations do not impact the FY 2008 Allocation **Section 108 Loan Repayments are budgeted but not necessarily required. This is an "up to" amount. Amounts not required for repayment to HUD will be reallocated to other components.	

Reallocation of funds among program components: During the year, DHCD may have cause to recapture earlier program year funds from non-performing grantees; or there may be small amounts of program funds from prior years that have yet to be used; or there may be opportunities to recapture program income generated by communities from earlier projects; or there may be extreme demand for one program component; or there may be minimal demand for one component. Funds will be reallocated depending on the timing of other components and the apparent demand for funds or to address emergency situations during the program year. When awarding those funds DHCD will use current program guidelines as established in the most recent One Year Plan. DHCD reserves the right to increase or decrease the allocation of a program component. When these cumulative changes meet the threshold criteria of an amendment, DHCD will follow the process in accordance with the State's Consolidated Plan and regulations at 24 CFR 91.505. DHCD may also have cause to fund from any allocation or resources to respond to corrective actions after program closeouts or as a result of other administrative errors.

F. AVAILABILITY OF CDBG PROGRAM FUNDS

All CDBG program funds will be available to eligible grant recipients based on applications for Massachusetts Community Development Block Grant funds and/or Notices of Funding Availability that will be distributed on a regular basis. These documents will make communities aware of the requirements of each particular component and will be available to allow communities adequate time to prepare grant applications for each program.

A single community may receive no more than \$1 million from any combination of federal FY 2008 Community Development Fund I or II, or Mini-Entitlement grant funds. Awards not subject to the \$1 million cap per community include the Housing Development Support Program, the Economic Development Fund, and Reserves.

Listed below are application distribution dates for each program and the corresponding due dates. A Notice of Availability of Funds will be issued, as appropriate, prior to release of each Application subject to the availability of federal funds.

Program Components ⁶	Application Issued	Notices of Intent Due (if necessary)	FY 2008 Applications Due
Community Development Funds I and II	November 2007	--	Friday, February 15, 2008
Mini Entitlement Program	November 2007	--	Friday, February 15, 2008
Housing Development Support Program	October 2007	September 27, 2007	
Economic Development Fund	January 2008	--	Continuous

G. EVALUATION CRITERIA APPLICABLE TO ALL CDBG PROGRAMS

DHCD reserves the right to incorporate any or all of the following Evaluation, Regulatory and Performance criteria in its award decisions:

Evaluation:

- solicit and verify information from any local, state or federal agencies and other entities, and based on that information, reduce, increase or deny an award to a community.
- conduct site visits for any proposed CDBG project or solicit additional information from applicants in order to confirm or clarify factual or procedural responses to application requirements such as copies of legal advertisements, minutes, survey instruments, letters, etc. Acceptance of these materials is subject to DHCD's satisfaction that the omitted material was in existence at the time of application and submission of the requested documents within a specified timeframe. Additional information regarding responses to competitive questions will not be accepted.
- reduce or increase an award to a community to assure that a grant budget is reasonable.
- fund, fully or partially, a project from other state resources.
- reduce or deny a grant, or place special conditions on a grant, based on the management capacity of the municipality or the current or proposed administering agency.
- resolve tie scores in a competitive fund by applying the criteria below in the following order:
 1. An application from the community or region with the higher Community-Wide Needs score will be funded;
 2. Applications for projects that increase the community's supply of affordable housing units;
 3. Regional applications;
 4. Applications for housing and/or economic development projects that are consistent with the goals of the Administration; and
 5. If scores remain tied after the application of steps #1 through 4, DHCD will conduct a lottery at which a representative from HUD will be present.

Regulatory:

- ensure that at least 70 percent of CDBG assistance, as per federal statute, is used to support projects that directly benefit low- and moderate-income persons of the Commonwealth.

⁶ The FY 2008 applications will be operative upon their release. Actual release of funds is contingent on HUD approval of the state's One Year plan, and will be dictated by the date the state receives HUD approval on its Plan.

FY 2008 Action Plan

- ensure that no more than 15 percent of the FY 2008 Massachusetts CDBG allocation is for public social service activities as per federal regulation.
- deny a grant, or a portion thereof, to ensure that no more than 20 percent of the FY 2008 Massachusetts CDBG allocation is for planning and administration as per federal regulation.
- not review an application unless signed by the municipality's Chief Elected Official.

Performance:

- reduce an award to a community with an uncommitted program income balance of \$100,000 or more.
- reduce an award, deny a grant, or impose special conditions on a community with prior year grants with a low rate of committed or expended dollars. This includes reductions in awards for projects funded in previous rounds for which unexpended funds remain.
- reduce an award, deny a grant, or impose special conditions on a community with outstanding, major findings that are unresolved at the time application decisions are being made; or which have otherwise had a history of significant, repeat findings. These findings could have resulted from any grant program offered by DHCD.

Major findings means non-compliance with a statutory requirement which, if not satisfactorily resolved by the community, would require that the federal funds be repaid by the municipality, or result in other serious sanctions.

History of significant, repeat findings means non-compliance with statutory or regulatory requirements in more than one grant cycle, where the community may have resolved those findings but with an unacceptably slow response.

- consider the past performance in the management of state grants, including but not limited to CDBG, by the applicant community and its administering agency or project sponsor, including continuing prior performance issues such as the number of program extension requests, program amendments and requests to re-program past grant funds due to inability to complete the originally awarded activities.

Awarding of Grants

Based on the scores produced through the review process, grant award recommendations are made to the Director of DHCD, whose decision is final. In the competitive programs, grants are awarded for projects to municipalities that received the highest application scores and which meet applicable thresholds until all available funds are distributed. In the programs with rolling applications, grants are awarded for projects to municipalities with application scores that meet a minimum scoring threshold, or that meet other program criteria, or both. DHCD reserves the right to award a grant in whole or in part, or to reject any and all proposals received.

Grievance Procedure

Within forty-five (45) days of the date of the Director's written notice of grant determinations to applicant cities and towns, any municipality aggrieved by DHCD's decision may challenge the denial of its grant by submitting a letter of appeal from the Chief Elected Official of the municipality to the Director, who shall respond no later than forty-five (45) days from the date of receipt of the municipality's appeal.

H. PROGRAM SANCTIONS

DHCD reserves the right to suspend or terminate grant awards made to eligible communities should there be instances of fraud, abuse, poor performance, misrepresentation, or extreme mismanagement, or in the event a grantee is unable to carry out a project as approved in an application. Communities should be aware that in the event that a project budget is found to be inadequate to fully implement the project as approved, DHCD reserves the right to review and approve any change in project scope to make a project fundable and may opt for recapturing the funds instead of authorizing a project with a reduced scope of work. In addition, if excess funds remain from a target area activity, either due to budgetary reasons or because of less demand for the activity than projected, the community must return the funds or request DHCD approval to reprogram the awarded funds. DHCD will approve reprogramming for the following purposes and in the following order:

- Funds will be used for eligible housing activities in the target area,
- Funds will be used for eligible housing activities in the remainder of the community.

If the excess funds cannot be used for housing purposes, DHCD will require that the funds be returned.

The community staff and Chief Elected Officials will have the opportunity to discuss possible sanctions prior to any formal action. If formal sanctions are recommended, grantees will be provided a full opportunity to appeal such decisions to the Director of DHCD before any final action is taken.

All program funds recaptured through the sanctions process will be re-programmed consistent with the procedures in (E) *Allocation of CDBG Funds* and (J) *CDBG Program Components*. Based on the significance of the issues involved in any such determination, DHCD may suspend, for a period of up to three (3) years or until final resolution is achieved, a community's eligibility to participate in any Massachusetts CDBG component. Such action will only be taken in extreme circumstances and only after all alternatives have been exhausted.

I. CITIZEN PARTICIPATION REQUIREMENTS FOR APPLICANTS AND GRANTEES

All applicants for funding under the FY 2008 Massachusetts CDBG Program must comply with the citizen participation requirements contained in Section 508 of the Housing and Community Development Act of 1987. DHCD expects citizen involvement in the identification of community development needs, the development of applications, program assessment and evaluation. Communities must include in their Massachusetts CDBG application a local citizen participation plan detailing how the community will provide:

1. citizen participation, with particular emphasis on participation by persons of low- and moderate-income, residents of slums and blighted areas and of areas in the state where CDBG funds are proposed to be used, particularly residents of a proposed target area;
2. reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, and relating to the actual use of funds;
3. information on the amount of state CDBG funds available during the year; the range of eligible CDBG activities; and how activities will benefit low- and moderate-income persons;
4. technical assistance to groups representative of persons of low- and moderate-income that request such assistance in developing proposals;
5. a minimum of 2 public hearings, each at a different stage of the program (development and implementation), to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at a minimum (a) the development of needs, (b) the review of proposed activities, and (c) review of program performance. These hearings shall be held after adequate notice, at times and accessible locations convenient to potential or actual beneficiaries, and with accommodations for persons with disabilities. In cases of joint applications, all applicant communities must be included in and participate in the public hearing. At least one public hearing

FY 2008 Action Plan

must be held prior to submittal of an application; a second must be held during the course of the grant year;

6. a timely written answer to written complaints and grievances, within 15 working days of receipt where practical; and
7. the plan must also identify how all residents and beneficiaries, including minorities and non-English speaking persons, as well as persons with disabilities can be reasonably expected to participate in the program in general, and at public hearings in particular.

J. CDBG PROGRAM COMPONENTS

This section briefly describes the components of the Massachusetts CDBG Program. Each program component description includes eligible uses, grant award amounts, and evaluation and award criteria. In the event of conflicting language, this One Year Action Plan takes precedence over language in all program component applications. The program components are:

1. Community Development Fund I (CDF I)
2. Community Development Fund II (CDF II)
3. Mini-Entitlement Program
4. Housing Development Support Program (HDSP)
5. Economic Development Fund
6. Reserves
7. Administration and Technical Assistance by DHCD

I. COMMUNITY DEVELOPMENT FUND I (CDF I)

Program Description

The Community Development Fund I (CDF I) annually awards grants to communities throughout the Commonwealth. This program helps eligible cities and towns to meet a broad range of community development needs in housing, infrastructure, downtown revitalization, and public social services. It supports CDBG-eligible activities and encourages applicants to develop coordinated, integrated and creative solutions to local problems. CDF I is targeted to communities with high Community-Wide Needs scores (ranging from 25 to 35) and very limited financial ability to address those needs with local funds. See Exhibit 3 for Community-Wide Needs Scores and Exhibit 4 for the indicators and formula used to derive the scores.

In federal FY 2008 DHCD expects to award approximately \$14,229,237 in CDF I grant funds, depending upon Massachusetts' federal allocation.

Grant Award Amounts

Applicants for a CDF I grant will be eligible to receive up to the following amounts based on the type of application submitted:

Category	Minimum Grant from Competitive Round:	Maximum Grant from Competitive Round:
Single Community	\$ 100,000	\$ 800,000

FY 2008 Action Plan

Single Community w/multiple targeted activities	\$ 100,000	\$ 1,000,000
Two or Three Communities (Regional)	\$ 100,000	\$ 1,000,000
Four or More Communities (Regional)	\$ 100,000	\$ 1,200,000
Planning- or Design-only grants	\$ 20,000	*****

A single community may receive up to \$1,000,000 for multiple, targeted physical activities. Social services, planning or design activities do not trigger the higher grant funding level. No single CDF I community in a regional application may receive more than \$800,000. There is a minimum grant amount of \$20,000 for planning or design-only grants.

Requirements:

1. CDF grants are **Single Year Grants** based on an 18-month implementation period. Communities should not apply for funds if the proposed project is not ready to proceed.
2. Two or more communities may apply **regionally**. "Regional" is not limited to geographically contiguous cities and towns. In order to comply with federal requirements governing such applications, each participating community would:
 - enter into an inter-local agreement that will allow a lead community to conduct grant activities within other communities;
 - sign the application certifications stating compliance with program regulations; and
 - demonstrate in the application how the requested funds will be allocated among all participants.

Each participating community in a regional application must have a locally approved Community Development Strategy, and all projects in the application must be consistent with those documents.

CDF I communities may also join with CDF II communities as regional applicants.

PLEASE NOTE: An application will not be considered a regional application if the only activity taking place in more than one of the communities is public social services.

3. An applicant is eligible to apply to Community Development Fund I if its FY 2008 Community-Wide Needs Score, rounded to the nearest integer, is 25 or greater on a scale of 35. Community Wide Needs Scores are available in Exhibit 3.
4. A community may apply in either one individual CDF application or in one regional application (including as a lead applicant), or in one of each. In addition, a municipality may not receive funds for the same activity under more than one CDF application during any one Mass CDBG federal fiscal year.
5. All CDF I applications must be received by DHCD's web-based application system by Friday, February 15, 2008, at 11:59 PM. However, one hard copy of the required Application Cover page, and the Joint Authorization page, with original signatures of the appropriate Chief Elected Official(s) must be received by 5:00 PM or the close of business, whichever is later, on Friday, February 15, 2008.

Evaluation and Award Criteria

Application review and awards will be governed by the criteria and procedures as described above (Sections A through I), and the following criteria, process rules and special requirements. Additional detail on evaluation criteria and the review process will be in the FY 2008 Community Development Fund Application Package.

1. Applications will be scored on a 100-point system, with the potential for bonus points, as follows:

CRITERION	POINTS
Community Wide Needs	35
Project Packets	65
Total	100
Regional Bonus	5 per activity
Targeted/Comprehensive/Integrated	Up to 15

Each criterion is described below. Please be advised that applicants must meet a minimum threshold for Project Feasibility -- i.e., each project must appear to be feasible to undertake and complete in the 18-month grant period, or the other criteria will not be scored. Projects must demonstrate financial feasibility, including adequate sources available for all costs based on reasonable cost estimates and financial need. Sources and uses of funds are limited to actual documented cash/expenditures specific to the proposed project. Proposals must also demonstrate site control, major permit approval, and other information that demonstrates the project is feasible and ready to go forward upon grant award. All projects must also meet threshold consistency with the Sustainable Development Principles.

Community-Wide Needs - are scored by DHCD, based on a set of criteria including population demographics, economic conditions, the community's fiscal condition, and assorted community development need indicators. A complete list of indicators is described in Exhibit 4. Communities are encouraged to submit a written request for their need scores. A community or its designee may make the request. DHCD will notify the community's Chief Elected Official of when and to whom the score is mailed. Only the lead community of a regional application needs to submit a request for the community-wide needs score. Regional applications will receive needs scores based on a weighted average of the scores for the participating communities. (35 points)

Project Need - requires applicants to document and describe the particular needs that will be addressed by each proposed project and the severity of those needs. Project Need will be evaluated based on the documented severity of need.

Community Involvement and Support - requires applicants to describe and document project selection, outreach efforts, involvement by the community and potential beneficiaries in the planning and development of the project and a process for maintaining involvement in the project over time. Community Involvement and Support will be evaluated based on the extent to which the applicant provides greater opportunity for involvement, actual involvement and support for the activity beyond CDBG- required efforts.

Project Feasibility - requires applicants to document and describe an understanding of the permitting and project management tasks necessary for the project, the procurement processes required of the project, the status of design and site control, the availability of all necessary funds and the readiness of the project to proceed, including completeness of environmental review requirements, and completeness and reasonableness of timeline. Project Feasibility will be evaluated on the applicant's ability to demonstrate the overall readiness of the project, management capacity and the ability of the applicant to complete the project within the 18-month grant implementation period.

Project Impact - requires applicants to document and describe the impact of the proposed project on the identified needs of the target population or target area including physical and visual impacts, if applicable. Project Impact will be scored on the extent to which the project will have positive impacts on the target area or target population, the number of persons to benefit from the proposed project, quantitative and qualitative assessment measures.

To be determined fundable, a project packet must earn a score of at least 39 points out of the 65 possible for a project packet. Planning activity packets will be scored using Project Need and Impact criteria only and must receive at least half the available points for each criterion.

Available Bonus Points

Regional activities - fundable activities that will serve multiple communities will receive an additional five points. Regional activities are defined as housing rehabilitation in multiple communities, social services provided to multiple communities, shared facilities or planning/design activities that will be administered and bid centrally on behalf of regional participants.

Targeted/Comprehensive/Integrated Activities

- Applications may receive an additional five points when activities are targeted to a geographic area. Applicants will demonstrate this through an additional narrative listing the CDBG-funded activities, the target area and anticipated measurable improvements that will result. Communities with populations under 5,000 may define their entire community as a target area. Housing Rehabilitation Programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area. Regional applications may receive targeting points if the proposed activity in each participating community is targeted.
 - Five additional points are available to applicants proposing multiple, activities in a target area and that demonstrate that the activities are complementary, coordinated or integrated. A minimum of at least two activities must be fundable.
 - An additional five points will also be awarded if an applicant demonstrates that non CDBG-funded projects consistent with the community's Community Development Strategy and complementary to the requested CDBG activities, are also targeted to the same geographic area and will also result in measurable improvements. These points will not be awarded for maintenance activities/projects or activities that are an extension of a requested activity such as lead abatement funds to serve the same units as those in a proposed housing rehabilitation program.
2. Applications with more than one project packet (component) to be considered for funding will receive a single Activity Score that is based on the average score for each project that meets the thresholds enumerated above then rounded to the nearest whole number. Planning activity scores however, will not be included in the averaging of activity scores.
3. When all applications have been reviewed, each packet score will be rounded to the nearest whole number. DHCD will fund proposals by ranking the scores from highest to lowest, applying the Evaluation Criteria above in (G) *Evaluation Criteria Applicable To All CDBG Programs* in the event of tie scores.

2. COMMUNITY DEVELOPMENT FUND II (CDF II)

Program Description

This program helps the state's non-entitlement cities and towns meet a broad range of community development needs in housing, physical development, downtown revitalization and public social services. In federal FY 2008, DHCD expects to award \$2,200,000 under the Community Development Fund II (CDF II) to eligible applicants, depending upon the allocation of federal funds from HUD.

Grant Award Amounts and Requirements

Applicants for a CDF II grant will be eligible to receive up to the following amounts based on the type of application submitted:

Category	Minimum Grant from Competitive Round:	Maximum Grant from Competitive Round:
Single Community	\$ 100,000	\$ 800,000
Single Community w/multiple targeted activities	\$ 100,000	\$ 1,000,000

FY 2008 Action Plan

Two or Three Communities (Regional)	\$ 100,000	\$ 1,000,000
Four or More Communities (Regional)	\$ 100,000	\$ 1,200,000
Planning- or Design-only grants	\$ 20,000	////////

A single community may receive up to \$1,000,000 for multiple, targeted physical activities. Social services, planning or design activities do not trigger the higher grant funding level. No one single CDF II community in a regional application may receive more than \$800,000 in FY 2008 funds. There is a minimum grant amount of \$20,000 for planning-only grants. All requirements of CDF I apply to CDF II.

This program is available to communities with a Community-Wide Needs Score equal to or less than 24 out of 35 points for federal Fiscal Year 2008. Community Wide Needs Scores are available in Exhibit 3. A community may apply in either one individual CDF II application or in one regional application (including as a lead applicant), or in one of each.

CDF II communities may join with a CDF I or with another CDF II for regional activities. Regional applicants are not limited to geographically contiguous cities and towns. The Community Wide Needs Score of CDF II applicants will not be considered in the composite regional Community Wide Needs Score. Participation in a regional application will not prohibit an eligible CDF II applicant from applying individually to the CDF II, within the stated restrictions.

The following conditions apply to regional applications:

- Funds allocated to the CDF II communities for regional activities will not be included when calculating the \$1 million cap in Mass CDBG funds that the lead CDF I communities may receive in a fiscal year.
- Funds allocated to the CDF II communities for regional activities will be included when calculating the \$1 million cap in Mass CDBG funds that participating CDF II communities may receive in a fiscal year.

All CDF II applications must be received by DHCD's web-based application system by Friday, February 15, 2008, at 11:59 PM. However, one hard copy of the required Application Cover page, and the Joint Authorization page, with original signatures of the appropriate Chief Elected Official(s) must be received by 5:00 PM or the close of business, whichever is later, on Friday, February 15, 2008.

LIMITATIONS/CONDITIONS ON SUBSEQUENT CDF II APPLICATIONS

A Community Development Fund II community that receives an award from the Community Development Fund is precluded from applying to a Community Development Fund program for the following federal fiscal year. FY 2007 CDF II grant recipients designated as FY 2008 CDF I-eligible communities in Exhibit 3: Program Eligibility and Community-Wide Needs Scores are not subject to this prohibition. In addition, a community previously awarded funds solely for an architectural/engineering design or planning project may apply in the next federal fiscal year for funding to implement the project. However, the maximum grant award for implementation will be reduced by the amount of the previous design or planning grant.

Exhibit 2 lists communities that may not apply for CDF funds in FY 2008.

Evaluation and Award Criteria

FY 2008 Action Plan

Applications will be reviewed according to the same criteria and process for activities as detailed in the discussion above describing criteria for CDF I. However, the Community-Wide Needs Score will not be factored into the evaluation. The application will be scored on a 65-point scale.

3. MINI-ENTITLEMENT PROGRAM

Program Description

Municipalities were selected to be Mini-Entitlement communities if they met the three following criteria: (1) Community Wide Needs Score over 28; (2) a poverty rate higher than the state average of 6.7% and (3) population over 12,000. This program helps larger non-entitlement urban communities with the highest needs improve conditions for their low- and moderate-income residents through comprehensive planning and predictable funding. Through this program, identified cities and towns can meet a broad range of community development needs in housing, business development, physical development, downtown revitalization, and public social services. It supports all CDBG-eligible activities and encourages applicants to develop comprehensive, creative solutions to local problems.

DHCD expects to award up to \$8,800,000 from the FY 2008 Mini-Entitlement Program allocation to 11 designated Mini-Entitlement municipalities, listed below:

Amherst
Chelsea
Everett
Gardner
Greenfield
North Adams

Revere
Southbridge
Wareham
Webster
West Springfield

DHCD requires Mini Entitlement communities to approach CDBG projects in a comprehensive and integrated manner and is directing these communities to target their CDBG funds to particular geographic areas in order to impact and effect change within neighborhoods. Housing Rehabilitation Programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area.

DHCD will offer technical assistance to Mini-Entitlement communities, including planning, priority setting, and project evaluation and development.

These 11 communities have been designated Mini-Entitlements for the FY 2008 and FY 2009 program years.

Grant Award Amounts and Requirements

The maximum grant award is up to \$800,000. Mini-Entitlement applications will contain an 18-month implementation and cash flow plan. Release of the FY 2008 allocation, however, is contingent on 1) the community's adherence to the timely expenditure threshold (see Applicant/Project Thresholds above), and 2) continued availability of federal funding.

Evaluation and Award Criteria

The following requirements apply to the Mini-Entitlement Program:

1. In accordance with the Massachusetts CDBG Priorities listed in Section A, DHCD seeks to fund projects identified through meaningful community-based planning and priority setting processes as described in SECTION D. 6. Each Mini-Entitlement grantee must submit a

FY 2008 Action Plan

Community Development Strategy. Community Development Strategies must also include how the community will plan for and implement projects that are consistent with the Commonwealth's Sustainable Development Principles.

2. Activity packets must be completed, but will not be competitively scored. All FY 2008 Mini-Entitlement applications must describe how CDBG funds will be allocated; include goals and performance measures for each activity; demonstrate compliance with a federal national objective and all federal/state requirements; and provide a management plan. The project packets will be reviewed for compliance with these evaluation criteria.
3. Mini-Entitlement applicants may however, propose projects, subject to DHCD approval, that do not meet the plans and specifications requirements of SECTION D. 11 and 12.
4. All activities that are eligible under Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended, will be considered for funding with the exception of organizational activities of downtown partnerships.
5. Mini-Entitlement communities may not join with CDF I or CDF II communities as joint applicants.

All Mini-Entitlement applications must be received by DHCD's web-based application system by Friday, February 15, 2008, at 11:59 PM. However, one hard copy of the required Application Cover page, and the Joint Authorization page, with original signatures of the appropriate Chief Elected Official(s) must be received by 5:00 PM or the close of business, whichever is later, on Friday, February 15, 2008.

4. HOUSING DEVELOPMENT SUPPORT PROGRAM

Program Description

The Housing Development Support Program (HDSP) is designed to facilitate small project-specific affordable housing initiatives with emphasis on creation, preservation or improvement of housing units, which may not be cost-effective under alternative development assistance programs or with conventional financing.

The HDSP will provide \$1.7 million in FY 2008, to fund smaller projects in communities that address a variety of activities supporting the physical development, improvement and retention of public or private housing affordable to low- and moderate-income persons. Typical project activities include moderate or substantial rehabilitation of residential and mixed-use projects; reclamation of abandoned/foreclosed properties; elderly, transitional and special needs housing; and conversion to housing of obsolete and under-utilized structures such as vacant school and mill buildings. Funds can be used for hard costs associated with acquisition, construction and rehabilitation, site work and related infrastructure. Fifty-one percent (51%) of the units must be affordable to and occupied by low- and moderate- income households.

Grant Requirements and Award Amounts

Notice of Intent Process

Communities must submit a Notice of Intent (NOI) in order to apply for HDSP funds using DHCD's web-based application system. A NOI may be accessed online by contacting HDSP staff, and must be submitted under signature of the community's Chief Elected Official.

For FY 2008 HDSP applications, a NOI must be received by DHCD no later than Thursday, September 27, 2007.

FY 2008 Action Plan

Applicants are encouraged to submit the NOI at any time in advance of the NOI deadlines. The flexible NOI process is intended to accommodate scheduling and to provide additional time for application preparation.

The NOI provides essential information about the project and confirms its consistency with HDSP eligibility requirements and DHCD priorities. HDSP staff will review NOIs, and an initial informational meeting for eligible projects will be scheduled with the community as appropriate.

Following the initial meeting, the applicant community will be notified in writing if it will be invited to submit an application and if any additional information is needed. If the community is not invited to submit an application, such notice will detail the reasons.

Other Application Requirements

HDSP funding is generally limited to projects containing fewer than eight units. Project grant amounts are limited to a minimum of \$100,000, and a maximum of \$500,000, plus administrative costs.

Projects involving either the rehabilitation of existing housing units in downtown and village center buildings, or the conversion to housing of upper story space in downtown and village center buildings, as well as other adaptive reuse proposals, may consist of up to 10 units. Municipalities may apply for up to \$750,000 plus administrative costs for such projects.

Single Room Occupancy (SRO) projects are the only other projects eligible to exceed the 7 or 10 unit HDSP unit maximum.

For most projects, all state and federal grants combined for most projects shall not exceed 75 percent of total actual project costs. Please note that projects exclusively benefiting special-needs populations may qualify for up to 100 percent of total actual project costs.

Total HDSP cost should not exceed \$125,000 per unit. On a case by case basis, DHCD will consider Notices of Intent with projects that exceed that cap due to local market conditions or unique project factors.

Projects involving new construction shall be limited to infill housing development in downtown or village center locations.

Projects receiving funding from any source administered by DHCD's Division of Housing Development are excluded from applying to HDSP.

Projects other than SROs that include at least one (1) affordable three-bedroom unit, with no other unit smaller than one bedroom, will receive additional scoring consideration.

DHCD reserves the right to limit the number of applications a community may submit in one fiscal year.

Evaluation and Award Criteria

All HDSP projects must comply with the low- and moderate-income National Objective. The requirements set forth in Section D: *APPLICANT/PROJECT THRESHOLDS* above will govern application review and awards.

Applications will be scored on a 100-point system as follows:

CRITERION	POINTS
Affordability	20
Readiness to Proceed	30
Development Team Capacity	10
Site and Design	25
Cost Effectiveness	15
Total	100

Applications must receive a minimum of 70 points to be eligible for funding. Criteria are described below.

The review and scoring of HDSP applications will be based on the materials submitted in the application as received on the deadline date, i.e., in an "as submitted" condition. Any information that is not included will be considered to be missing, and the application evaluated accordingly. DHCD reserves the right to adjust award amounts based on this condition.

Sustainable Development Threshold - In order to receive funding a project or activity must be consistent with the Sustainable Development principles. Guidance on this threshold may be found in Exhibit 6.

Feasibility Threshold - All projects must demonstrate financial feasibility, including adequate sources available for all costs based on reasonable cost estimates and financial need, and sufficient revenues to pay expenses based upon reasonable assumptions. Sources and uses of funds are limited to actual documented cash/expenditures specific to the proposed project. Project rents/sales prices must be within HDSP limits for affordable units and must be affordable to the household sizes that could reasonably be expected to occupy the units based on the number of bedrooms. Proposals must also demonstrate site control, major permit approval, and that a market exists for the type of unit proposed at the rent or sale price projected. Proposals that do not meet this feasibility threshold will not be further evaluated.

Affordability - All projects will be evaluated according to the affordability term to be secured by rental/resale restrictions proposed beyond the fifteen-year threshold, and the proposed percentage of affordable units available for low- and moderate-income occupancy. (20 points)

Readiness To Proceed - At minimum, applicants must provide evidence that the project can be implemented and completed within the grant term. Projects will also be evaluated on status of financing commitments, site control, land use and zoning requirements, other necessary approvals and relevant factors. (30 points)

Development Team Capacity - The track record and levels of previous comparable work experience of the project developer, applicant community, development consultant, architect, management agent, and service provider, if applicable, will be reviewed and assessed, including quality of such work and the schedule of its delivery. DHCD may take into consideration an applicant's qualifications, history, experience, and past performance (if any) in housing development with DHCD and other government and quasi-public agencies, as well as the technical assistance and support the community intends to provide to a less-experienced developer. (10 points)

Site and Design - The quality of the site will be reviewed based on desirability of location, revitalization potential, community character, convenience, adequacy of utilities and infrastructure, appropriateness of design for the site, and the absence of significant development constraints such as adverse environmental conditions. In addition, proposed projects will be reviewed on the basis of site conditions (e.g., ledge, grade, soil

suitability), conservation of natural resources, condition of existing structure (including adaptability to proposed use), and neighborhood characteristics.

The proposed design will be reviewed for visual impact, overall plan layout, site design including provision for affordable three-bedroom units, appropriateness of building design and amenities, including suitability for target population, and adequacy of the proposed scope of work. (25 points)

Cost Effectiveness - Each applicant must demonstrate that it is requesting the minimum amount necessary to produce a viable project, taking into account all other potential sources of funding and all opportunities to reduce costs to reasonable and necessary levels. Evaluation under this criterion will include total development costs per unit, HDSP cost per unit, developer fees and overall soft costs as a percentage of total development cost, per unit operating costs, and reasonableness of costs when compared to similar projects. (15 points)

5. ECONOMIC DEVELOPMENT FUND

The Economic Development Fund offers financing solutions to meet the needs of businesses which retain and/or create low- and moderate-income jobs, strengthen the local tax base, support revitalization efforts and enhance the quality of life in the community.

This program funds a broad range of economic and community development projects. Economic development projects may include assistance to non-profits and for-profits including small businesses and microenterprise; loans - or loan/grant combinations - for working capital, machinery and equipment, or other business improvements; pre-development studies; economic development planning projects; and public facilities, infrastructure, or public services supporting economic development. Funds can be used by a community or its subgrantee to assist economic development projects with planning, design and engineering, construction, rehabilitation, purchase of machinery and capital equipment, working capital, credit refinancing, incumbent workforce training, real estate acquisition, or public services programs.

Mixed-use development is encouraged. Economic Development Funds may be used in partnership with Housing Development Support Program funds, or other CDBG or non-CDBG funding sources, to undertake building improvements for the non-residential components of mixed-use projects. The allowable uses of the funds will be determined on a case-by-case basis, depending on the nature of the project and how it will comply with eligibility, national objective and other program requirements. In addition, the appropriate EDF program component - or financing mechanism - of the Economic Development Fund will also be determined after an analysis of the proposed project or program. Project proponents are encouraged to contact EDF staff as early as possible in the process. A community may receive no more than one Economic Development Fund grant award in any fiscal year, exclusive of direct assistance to individual businesses and other entities.

In order to receive funding a project or activity must be consistent with the Sustainable Development principles. Guidance on this threshold may be found in Exhibit 6. Business assistance for projects not requiring construction and Public Services activities are exempt from this requirement.

DHCD anticipates that \$1,000,000 will be available to the Fund during FY 2008: \$500,000 will be available from the FY 2008 CDBG allocation, which will be supplemented by an estimated \$600,000 from revolving loan fund program income that DHCD expects to earn during the program year.

Grant Award Amounts and Requirements

(a) Grants to Communities

- Communities may apply for a wide range of eligible activities supporting economic development including, but not limited to: planning and pre-development studies; acquisition; micro and small business technical assistance programs and regional revolving loan funds; public social services related to

FY 2008 Action Plan

economic development; and infrastructure and public facilities projects in support of economic development.

- Communities may pass through grant funds to another organization/entity providing economic development loan funds, if the organization can demonstrate management capacity and has an established track record of providing/servicing such loans.
- Grants to communities are limited to a maximum of \$500,000. There is a \$50,000 cap, inclusive of planning-related general administration, on all planning grants in an Economic Development Fund application.
- Grants are based on an 18-month implementation cycle.
- Applications will be accepted on an ongoing basis throughout the year, based on funding availability.

(b) Financial Assistance to Individual Businesses and Other Entities

- DHCD may make a grant award to a municipality for the purpose of assisting a particular business or other eligible entity for real estate acquisition, new construction and rehabilitation, purchase of machinery and capital equipment, working capital, and credit refinancing. The municipality will then use the grant funds to offer a loan and/or recapturable equity to that business or other entity at terms dictated by DHCD.
- Financing will fund up to one-third (1/3) of the total project costs.
- Loans and Recapturable Equity to a given borrower will be limited to \$500,000 each in a fiscal year (up to \$1,000,000 total assistance).
- The minimum financial assistance to a given borrower will be \$100,000.
- The Director of the Department of Housing and Community Development may waive program guidelines to allow for:
 - awards greater than 1/3 of total project costs
 - loans or recapturable equity above \$500,000
 - financing below \$100,000
- The applicant would need to demonstrate extraordinary circumstances and a strong rationale in order to receive any of these waivers. If the applicant anticipates the need for a waiver, it will be necessary to review all factors leading to this request with appropriate EDF staff.
- Program Income from the repayment of loans and/or recapturable equity has been and/or will be deposited in a revolving loan fund account established under Community Development Block Grant regulations and remain with DHCD. The amount of program income available may vary if loans and/or recapturable equity are either prepaid or the borrower defaults on payments.
- The amount requested/awarded may also include program administration costs to the community.
- Loan and/or recapturable equity repayments will be made to a DHCD authorized agent, as specified in the community's contract with DHCD.
- Loan and/or recapturable equity terms are flexible. The grant period will be up to three (3) years to allow for completion of job creation and/or retention goals.

FY 2008 Action Plan

- Applications will be accepted on an ongoing basis throughout the year.
- DHCD reserves the right to limit the number of applications a community may submit in one fiscal year.

(c) Bridge Financing

- Bridge Financing is a short-term loan – up to 18 months – that enables communities to borrow against the Commonwealth's annual CDBG allocation. DHCD will make up to \$5 million available during FY 2007. Loans will be provided for housing and economic development projects that meet Massachusetts CDBG threshold requirements, national objective criteria, and project evaluation criteria.
- Bridge Financing loan amounts will range from \$250,000 to \$2,000,000. The loan amount will not be included in the \$1 million annual limit that grantees may receive from the Commonwealth's annual CDBG allocation.
- Projects must exhibit readiness to proceed, and meet all CDBG requirements. The short-term nature of the Bridge Financing loan limits the types of projects that will be financed.
- Each loan will be fully secured by an unconditional, irrevocable line of credit from a commercial lending institution for the full amount of the loan principal and interest. The line of credit shall be provided by the end-recipient of the CDBG Bridge Financing funds, naming the Massachusetts Department of Housing and Community Development as beneficiary/payee. In addition, the line of credit shall be unconditionally available for drawdown by DHCD in the amount of any shortfall within 30 days of the date that the loan fails to meet the agreed repayment schedule, or upon failure of the grantee or borrower to comply with other specified terms and conditions of the loan agreement.

Evaluation and Award Criteria for Grants to Communities, Loans to Individual Businesses, and Bridge Financing

EDF applications will be evaluated according to a two-stage process, which consists of (1) completion of an Application Information Form (AIF) and initial meeting and (2) the application.

- (1) AIF/Initial Meeting - The applicant must submit an Application Information Form (AIF), using DHCD's web-based application system, before DHCD will consider an EDF application. Upon receipt and review of the AIF, CDBG staff will schedule, as appropriate, an initial informational meeting between program staff and representative(s) of the municipal government. If the EDF project will be a loan to an individual business or other entity, an initial meeting may include that business or entity, which will also submit basic financial and business information with the AIF for preliminary EDF staff screening.
- (2) Application - If the proposed project is considered by program staff to be consistent with program requirements, and likely to meet the threshold criteria discussed in Section D: *APPLICANT/PROJECT THRESHOLDS* above, CDBG staff will invite the community to submit an application. If the applicant does not submit an application within three (3) months of the date of the invitation letter, it will be required to submit another AIF and repeat the two-step application process in order for DHCD to further consider the proposed project.

Applications will be reviewed for completeness, documentation of application / project thresholds, and responses to project-specific questions and comments (project conditions) included in DHCD's letter of invitation. To be considered for funding, a proposed activity must meet all thresholds, and must address all project conditions to the satisfaction of DHCD. In the event there are insufficient funds for all eligible applications, DHCD reserves the right to consider EDF applications out of order of receipt based upon a review of the number of jobs to be created or retained, the impact of a project

on the local tax base, such as increase in tax revenues, sudden job loss, levels of matching or leveraged funds, or other compelling circumstances.

Review of applications for loans to individual businesses or other entities will also include:

- **Credit quality** - Evaluation factors include viability of the business or development project, ability to generate cash flow to service debt, and availability of collateral to secure the loan.
- **Financial need for CDBG funds**, in accordance with underwriting guidelines established by the US Department of Housing and Urban Development and state policies.

(d) Section 108 Loan Guarantees

Description

Section 108 Loan Guarantees allow eligible communities to access federal loan funds for the purpose of aiding revenue-producing development activities. The program provides communities with a source of loan financing for community and economic development efforts involving industrial, service, commercial real estate, and housing or mixed-use projects. Funding is provided to the community to loan to the business or other entity.

The Commonwealth guarantees repayment of the HUD loan, and pledges its future CDBG allocation as collateral. Actual funding will be provided through the sale of notes by the federal Department of Housing and Urban Development.

This year the Commonwealth will pledge up to \$2 million in future CDBG allocations in support of these eligible activities.

Grant Award Amounts and Requirements

- The minimum award is \$500,000 and the maximum is \$5 million. The loan amount will not be included in the \$1 million annual limit that grantees may receive from the Commonwealth's annual CDBG allocation.
- In general, awards from the Section 108 Loan cannot exceed 40% of the total project costs. However, DHCD will consider guaranteeing public infrastructure projects to a percentage greater than 40% on a case by case basis;
- DHCD is willing to consider phased projects, with the caveat that the time frame for full implementation is a maximum of five years or less;
- DHCD or HUD may disapprove applications, or approve a reduced guarantee or approve the request with conditions, such as but not limited to additional collateral and guarantees depending on the structure of the proposal; and
- Loan repayments will be made according to federal regulations, paid to the state on the basis of an agreement between the state (DHCD) and the grantee.

Section 108 Guidelines

Eligible activities include:

- Acquisition of developed or undeveloped property;
- Rehabilitation of real property;

FY 2008 Action Plan

- Acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements;
- Relocation payments and other relocation assistance;
- Site clearance and site preparation and construction of public improvements; and
- Payment of issuance, underwriting, servicing and other private sector financing costs.

Evaluation and Award Criteria

Applicants must contact DHCD prior to submission of an application. A two-stage process for evaluating potential applications is in effect, consisting of a preliminary screening and a formal application. Applicants also need to review the evaluation criteria and the review process information found in the Economic Development Fund/Section 108 application. Applications will be reviewed on a first come, first served basis, provided that threshold criteria are met and funds are available.

Successful applicants will receive project money from HUD, but the Commonwealth guarantees the repayment of the loan. The Commonwealth pledges its future CDBG grant funds to repay the federal government should a non-entitlement recipient of a Section 108 Loan default. DHCD will not pledge other collateral of the Commonwealth in support of proposals. Any additional security required by HUD must come from another source. The state has developed an application that provides for thorough review including the following criteria:

- activity must meet a CDBG National Objective, and Public Benefit standards in the case of economic development projects;
- project goals and activities are clearly defined;
- local efforts are consistent with state's economic development agenda;
- creation of public benefits;
- if the public benefit is jobs, the total number and quality of jobs created or retained;
- viability and feasibility of the proposed project;
- revenue projections and firm financial information of the proposed activity;
- revenue source for repayment of the loan must be clearly described and sufficient collateral available to secure the loan, appropriate to the level of exposure and risk;
- application must clearly demonstrate efforts to find conventional financing;
- the amount of financing required and information on any program income that the activity may generate must be included in the application;
- effective and capable management of the proposed activity;
- analysis of primary and secondary economic and fiscal impacts of the proposed activity;
- local community development needs and distress factors as demonstrated by a narrative or a variety of demographic statistics.

SECTION 108 LOAN ACTIVITIES

DHCD has one application that is currently under review by DHCD and by HUD. If the project sponsor proceeds, and the application is successful, DHCD would commit to use a Section 108 Loan Guarantee to secure financing and guarantee loans for the following project during calendar year 2008:

FY 2008 Action Plan

Everett – \$1 million Section 108 loan for roadwork (right-of-way & construction) for the Norman St./Internet Dr. intersection and entryway into the Rivers Edge (previously Telecom City) project area. The debt service for years 1-8 will be funded with a \$1.2 million Brownfields Economic Development Initiative (BEDI) grant.

In addition, DHCD and HUD approved the following Section 108 Loan Guarantee project in 2003.

North Adams - Massachusetts Museum of Contemporary Art (MASS MoCA): Approximate \$4.3 million loan to partially fund real estate development by the non-profit museum foundation. The \$13 million project involves rehabilitation of two buildings. This project is Phase II of the City and MASS MoCA's revitalization plan for one of North Adams' most distressed neighborhoods.

Loan Default

In the event of loan default, DHCD must be prepared to repay the Section 108 loans to HUD out of the Commonwealth's annual CDBG allocation. In addition to a pledge of future CDBG funds, collateral is provided from other sources, and the two noted above will be heavily collateralized with non-CDBG resources. The possibility exists, however, that the loans default and will need to be repaid from the annual allocation. In FY 2008 the potential liability, or repayment total, could be up to \$418,000 in the event of loan default.

If the loans do not default, or if there is default but the collateral is sufficient to cover the loan repayment (or a portion thereof), then DHCD will reallocate all (or part) of the budgeted default amount among other program components.

Please note that DHCD and HUD scrutinize Section 108 projects very carefully since any loan defaults are guaranteed by future CDBG funds and therefore could significantly affect availability of funds in future years.

6. RESERVES

An initial allocation of \$4,700,000 will be budgeted to the Reserves component. Consistent with *Section E. ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH*, funds may be recaptured by or returned to DHCD at any time during the program year, or reallocated to and from program components including the Reserves component. This may result in an increase or decrease to the initial allocation.

Projects that are innovative, or address an overarching local, regional, or statewide need may be funded through the Reserves. Funds may be made available for projects throughout the program year that address the Administration's goal of developing and/or preserving affordable workforce housing opportunities that are consistent with Massachusetts' CDBG priorities, as outlined in *Section A*.

The application materials for Reserves will provide guidance to potential grantees on how to structure their applications. The Department's interest in providing Reserves funding for projects will be determined by a review of the proposed project to determine consistency with the goals and priorities cited above and that the activity is eligible, feasible and ready to proceed. Once complete, applications will be funded in the order in which they are received.

All Projects funded under Reserves must meet, at a minimum, CDBG national objective and eligibility requirements, applicable rules and regulations, and project feasibility thresholds. Awards are generally limited to a maximum of \$800,000. Please contact Sandra Hawes, Associate Director of the Division of Community Services, at 617-573-1401 with any inquiries about Reserves.

7. ADMINISTRATION AND TECHNICAL ASSISTANCE BY DHCD

FY 2008 Action Plan

The Commonwealth of Massachusetts uses CDBG funds for administrative costs incurred by DHCD during the operation of the Massachusetts CDBG Program. As allowed by federal statute, this amount will equal two percent (2%) of the entire annual grant allocation, plus \$100,000.

An additional one percent (1%) of the allocation will be used for direct technical assistance to eligible municipalities for guidance relating to housing, economic development, including downtown revitalization, community development strategy and plan preparation and use, technical assistance training for non-entitlement communities, fair housing training, and additional assistance determined necessary during the program year.

During this fiscal year DHCD will continue to support and upgrade grantees' software and reporting systems. Technical assistance will be available to several communities for capacity building for downtown revitalization. Assistance will be provided to communities with both deteriorated areas and with downtown organizations that have not been previously supported by DHCD.

In addition, two percent (2%) of program income generated by state CDBG grantees shall be returned to the Mass CDBG Program on a bi-annual basis.

ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2008

EXHIBITS

1. LIST OF ENTITLEMENT COMMUNITIES IN MASSACHUSETTS
2. MUNICIPALITIES NOT ELIGIBLE TO APPLY TO COMMUNITY DEVELOPMENT FUND (CDF) I AND II IN FY 2008
3. COMMUNITY WIDE NEEDS SCORES AND PROGRAM ELIGIBILITY
4. COMMUNITY-WIDE NEEDS INDICATORS
5. SUSTAINABLE DEVELOPMENT PRINCIPLES
6. GUIDANCE ON MEETING THE SUSTAINABLE DEVELOPMENT THRESHOLD

EXHIBIT 1

LIST OF ENTITLEMENT COMMUNITIES IN MASSACHUSETTS
as of Federal Fiscal Year 2008

1.	ARLINGTON	19.	MALDEN
2.	ATTLEBORO	20.	MEDFORD
3.	BARNSTABLE	21.	NEW BEDFORD
4.	BOSTON	22.	NEWTON
5.	BROCKTON	23.	NORTHAMPTON
6.	BROOKLINE	24.	PEABODY
7.	CAMBRIDGE	25.	PITTSFIELD
8.	CHICOPEE	26.	PLYMOUTH
9.	FALL RIVER	27.	QUINCY
10.	FITCHBURG	28.	SALEM
11.	FRAMINGHAM	29.	SOMERVILLE
12.	GLOUCESTER	30.	SPRINGFIELD
13.	HAVERHILL	31.	TAUNTON
14.	HOLYOKE	32.	WALTHAM
15.	LAWRENCE	33.	WESTFIELD
16.	LEOMINSTER	34.	WEYMOUTH
17.	LOWELL	35.	WORCESTER
18.	LYNN	36.	YARMOUTH

EXHIBIT 2

**MUNICIPALITIES NOT ELIGIBLE TO APPLY TO COMMUNITY DEVELOPMENT
FUND (CDF) I AND II IN FY 2008**

A Community Development Fund II community that receives an award from the Community Development Fund is precluded from applying to a Community Development Fund program for the following federal fiscal year, except that a community previously awarded funds solely for an architectural/engineering design or planning project may apply in the next federal fiscal year for funding to implement the project. However, the maximum grant award for implementation will be reduced by the amount of the previous design or planning grant.

DHCD has identified the following communities as ineligible applicants (except as noted) for Federal Fiscal Year 2008; each may apply again in the fiscal year noted in parentheses:

Lunenburg (2009)
Mansfield (2009)
Sterling (2009)
Townsend (2009)

EXHIBIT 3

PROGRAM ELIGIBILITY AND COMMUNITY-WIDE NEEDS SCORES

City/Town	FY08 CWN Score	Eligible for CDF I	Eligible for CDF II	FY08 Mini-Entitlement
Abington town	25	X		
Acton town	16		X	
Acushnet town	24		X	
Adams town	30	X		
Agawam town	25	X		
Alford town	19		X	
Amesbury town	28	X		
Amherst town	29			X
Andover town	18		X	
Aquinnah	31	X		
Ashburnham town	26	X		
Ashby town	27	X		
Ashfield town	24		X	
Ashland town	20		X	
Athol town	30	X		
Auburn town	24		X	
Avon town	28	X		
Ayer town	26	X		
Barre town	26	X		
Becket town	30	X		
Bedford town	16		X	
Belchertown town	24		X	
Bellingham town	21		X	
Belmont town	21		X	
Berkley town	18		X	
Berlin town	28	X		
Bernardston town	29	X		
Beverly city	25	X		
Billerica town	22		X	
Blackstone town	27	X		
Blandford town	19		X	
Bolton town	17		X	
Bourne town	31	X		
Boxborough town	14		X	
Boxford town	12		X	
Boylston town	18		X	

FY 2008 Action Plan

City/Town	FY08 CWN Score	Eligible for CDF I	Eligible for CDF II	FY08 Mini-Entitlement
Braintree town	25	X		
Brewster town	26	X		
Bridgewater town	20		X	
Brimfield town	25	X		
Brookfield town	26	X		
Buckland town	28	X		
Burlington town	20		X	
Canton town	21		X	
Carlisle town	14		X	
Carver town	25	X		
Charlemont town	31	X		
Charlton town	19		X	
Chatham town	27	X		
Chelmsford town	21		X	
Chelsea city	32			X
Cheshire town	27	X		
Chester town	32	X		
Chesterfield town	33	X		
Chilmark town	26	X		
Clarksburg town	28	X		
Clinton town	31	X		
Cohasset town	21		X	
Colrain town	32	X		
Concord town	17		X	
Conway town	21		X	
Cummington town	30	X		
Dalton town	24		X	
Danvers town	26	X		
Dartmouth town	25	X		
Dedham town	28	X		
Deerfield town	25	X		
Dennis town	30	X		
Dighton town	24		X	
Douglas town	21		X	
Dover town	12		X	
Dracut town	25	X		
Dudley town	24		X	
Dunstable town	16		X	

FY 2008 Action Plan

City/Town	FY08 CWN Score	Eligible for CDF I	Eligible for CDF II	FY08 Mini-Entitlement
Duxbury town	16		X	
East Bridgewater town	25	X		
East Brookfield town	22		X	
East Longmeadow town	21		X	
Eastham town	30	X		
Easthampton town	28	X		
Easton town	20		X	
Edgartown town	32	X		
Egremont town	23		X	
Erving town	31	X		
Essex town	28	X		
Everett city	35			X
Fairhaven town	30	X		
Falmouth town	25	X		
Florida town	31	X		
Foxborough town	20		X	
Franklin town	20		X	
Freetown town	18		X	
Gardner city	29			X
Georgetown town	19		X	
Gill town	24		X	
Goshen town	24		X	
Gosnold town	32	X		
Grafton town	24		X	
Granby town	24		X	
Granville town	23		X	
Great Barrington town	32	X		
Greenfield town	34			X
Groton town	20		X	
Groveland town	21		X	
Hadley town	26	X		
Halifax town	26	X		
Hamilton town	22		X	
Hampden town	18		X	
Hancock town	27	X		
Hanover town	21		X	
Hanson town	20		X	
Hardwick town	31	X		

FY 2008 Action Plan

City/Town	FY08 CWN Score	Eligible for CDF I	Eligible for CDF II	FY08 Mini-Entitlement
Harvard town	14		X	
Harwich town	32	X		
Hatfield town	24		X	
Hawley town	33	X		
Heath town	30	X		
Hingham town	15		X	
Hinsdale town	29	X		
Holbrook town	26	X		
Holden town	18		X	
Holland town	25	X		
Holliston town	20		X	
Hopedale town	21		X	
Hopkinton town	14		X	
Hubbardston town	18		X	
Hudson town	24		X	
Hull town	29	X		
Huntington town	25	X		
Ipswich town	25	X		
Kingston town	27	X		
Lakeville town	20		X	
Lancaster town	27	X		
Lanesborough town	26	X		
Lee town	32	X		
Leicester town	23		X	
Lenox town	29	X		
Leverett town	25	X		
Lexington town	17		X	
Leyden town	24		X	
Lincoln town	19		X	
Littleton town	21		X	
Longmeadow town	15		X	
Ludlow town	24		X	
Lunenburg town	19		X	
Lynnfield town	15		X	
Manchester town	21		X	
Mansfield town	21		X	
Marblehead town	20		X	
Marion town	26	X		

FY 2008 Action Plan

City/Town	FY08 CWN Score	Eligible for CDF I	Eligible for CDF II	FY08 Mini-Entitlement
Marlborough city	25	X		
Marshfield town	20		X	
Mashpee town	26	X		
Mattapoisett town	25	X		
Maynard town	26	X		
Medfield town	13		X	
Medway town	20		X	
Melrose city	21		X	
Mendon town	20		X	
Merrimac town	25	X		
Methuen town	30	X		
Middleborough town	27	X		
Middlefield town	31	X		
Middleton town	21		X	
Milford town	26	X		
Millbury town	25	X		
Millis town	20		X	
Millville town	26	X		
Milton town	21		X	
Monroe town	35	X		
Monson town	26	X		
Montague town	32	X		
Monterey town	27	X		
Montgomery town	21		X	
Mount Washington town	20		X	
Nahant town	20		X	
Nantucket town	31	X		
Natick town	20		X	
Needham town	15		X	
New Ashford town	19		X	
New Braintree town	28	X		
New Marlborough town	25	X		
New Salem town	24		X	
Newbury town	20		X	
Newburyport city	26	X		
Norfolk town	14		X	
North Adams city	31			X
North Andover town	20		X	

FY 2008 Action Plan

City/Town	FY08 CWN Score	Eligible for CDF I	Eligible for CDF II	FY08 Mini-Entitlement
North Attleborough town	23		X	
North Brookfield town	29	X		
North Reading town	21		X	
Northborough town	20		X	
Northbridge town	26	X		
Northfield town	24		X	
Norton town	21		X	
Norwell town	20		X	
Norwood town	25	X		
Oak Bluffs town	33	X		
Oakham town	19		X	
Orange town	29	X		
Orleans town	28	X		
Otis town	27	X		
Oxford town	25	X		
Palmer town	30	X		
Paxton town	18		X	
Pelham town	20		X	
Pembroke town	20		X	
Pepperell town	17		X	
Peru town	29	X		
Petersham town	26	X		
Phillipston town	29	X		
Plainfield town	33	X		
Plainville town	26	X		
Plympton town	21		X	
Princeton town	14		X	
Provincetown town	35	X		
Randolph town	25	X		
Raynham town	20		X	
Reading town	18		X	
Rehoboth town	21		X	
Revere city	32			X
Richmond town	22		X	
Rochester town	20		X	
Rockland town	30	X		
Rockport town	28	X		
Rowe town	32	X		

FY 2008 Action Plan

City/Town	FY08 CWN Score	Eligible for CDF I	Eligible for CDF II	FY08 Mini-Entitlement
Rowley town	20		X	
Royalston town	29	X		
Russell town	30	X		
Rutland town	18		X	
Salisbury town	31	X		
Sandisfield town	25	X		
Sandwich town	20		X	
Saugus town	27	X		
Savoy town	29	X		
Scituate town	21		X	
Seekonk town	28	X		
Sharon town	14		X	
Sheffield town	31	X		
Shelburne town	31	X		
Sherborn town	16		X	
Shirley town	25	X		
Shrewsbury town	18		X	
Shutesbury town	25	X		
Somerset town	26	X		
South Hadley town	24		X	
Southampton town	18		X	
Southborough town	16		X	
Southbridge town	30			X
Southwick town	24		X	
Spencer town	29	X		
Sterling town	14		X	
Stockbridge town	24		X	
Stoneham town	25	X		
Stoughton town	24		X	
Stow town	16		X	
Sturbridge town	24		X	
Sudbury town	15		X	
Sunderland town	29	X		
Sutton town	18		X	
Swampscott town	23		X	
Swansea town	25	X		
Templeton town	29	X		
Tewksbury town	19		X	

FY 2008 Action Plan

City/Town	FY08 CWN Score	Eligible for CDF I	Eligible for CDF II	FY08 Mini-Entitlement
Tisbury town	33	X		
Tolland town	24		X	
Topsfield town	14		X	
Townsend town	20		X	
Truro town	32	X		
Tyngsborough town	19		X	
Tyringham town	18		X	
Upton town	18		X	
Uxbridge town	21		X	
Wakefield town	21		X	
Wales town	29	X		
Walpole town	20		X	
Ware town	30	X		
Wareham town	31			X
Warren town	30	X		
Warwick town	32	X		
Washington town	21		X	
Watertown town	25	X		
Wayland town	16		X	
Webster town	30			X
Wellesley town	14		X	
Wellfleet town	32	X		
Wendell town	24		X	
Wenham town	16		X	
West Boylston town	26	X		
West Bridgewater town	28	X		
West Brookfield town	26	X		
West Newbury town	14		X	
West Springfield town	33			X
West Stockbridge town	26	X		
West Tisbury town	21		X	
Westborough town	18		X	
Westford town	15		X	
Westhampton town	19		X	
Westminster town	25	X		
Weston town	15		X	
Westport town	25	X		
Westwood town	16		X	

FY 2008 Action Plan

City/Town	FY08 CWN Score	Eligible for CDF I	Eligible for CDF II	FY08 Mini- Entitlement
Whately town	25	X		
Whitman town	26	X		
Wilbraham town	20		X	
Williamsburg town	27	X		
Williamstown town	24		X	
Wilmington town	22		X	
Winchendon town	30	X		
Winchester town	15		X	
Windsor town	25	X		
Winthrop town	25	X		
Woburn city	26	X		
Worthington town	25	X		
Wrentham town	15		X	

EXHIBIT 4

COMMUNITY-WIDE NEEDS INDICATORS

MUNICIPALITY: COUNTY:		2000(06) Raw Number	Percent	Quartile	Maximum Possible Points	Score
A. INDIVIDUAL FACTORS					21.0	0.00
Low/moderate income persons (US Census, 2000 universe: 0).....		0	0.0	0	17.5	0.00
Unemployment rate (average annual 2006)		0	0.0	0	3.5	0.00
B. COMMUNITY FACTORS					14	0.00
% households w/housing cost burden > 30% of household income (US Census, 2000 universe: 0)		0	0.0	0	5.25	0.00
Total levy per capita, % of per capita income (2006 DOR, US Census estimate, 2000 US Census)		\$ 0	0.0	0	5.25	0.00
Units built prior to 1940, % of total units (US Census 2000 universe: 0)		0	0.0	0	3.5	0.00
A and B					35	

EXHIBIT 5

Sustainable Development Principles

The Commonwealth of Massachusetts shall care for the built and natural environment by promoting sustainable development through integrated energy and environment, housing and economic development, transportation and other policies, programs, investments, and regulations. The Commonwealth will encourage the coordination and cooperation of all agencies, invest public funds wisely in smart growth and equitable development, give priority to investments that will deliver good jobs and good wages, transit access, housing, and open space, in accordance with the following sustainable development principles. Furthermore, the Commonwealth shall seek to advance these principles in partnership with regional and municipal governments, non-profit organizations, business, and other stakeholders.

1. Concentrate Development and Mix Uses

Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage remediation and reuse of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open spaces and homes.

2. Advance Equity

Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning and decision making to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

3. Make Efficient Decisions

Make regulatory and permitting processes for development clear, predictable, coordinated, and timely in accordance with smart growth and environmental stewardship.

4. Protect Land and Ecosystems

Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

5. Use Natural Resources Wisely

Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

6. Expand Housing Opportunities

Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where services are available. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.

7. Provide Transportation Choice

Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.

8. Increase Job and Business Opportunities

Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

9. Promote Clean Energy

Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

10. Plan Regionally

Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.

EXHIBIT 6

Guidelines for Project Consistency with the Commonwealth's Sustainable Development Principles

Important choices about where and how Massachusetts will grow are made every day. These decisions have profound implications. While the Commonwealth has made progress, more needs to be done to ensure that the interests of future generations are not compromised by today's decisions.

It will take our cooperative efforts to build a greater quantity and diversity of housing, develop the businesses we need to provide jobs and increase revenue, and do a better job of acting as stewards of our natural resources for future generations. Governor Patrick's administration is interested in working in partnership with the development community and municipalities to improve our conservation and development practices. State policies, programs, and investments must encourage smart growth and development interests and municipalities must do the same. The Commonwealth has established a framework to insure a strong economic future for the state and a high quality of life for its residents by undertaking a comprehensive approach to housing and community investment in a way that respects landscape and natural resources. The administration believes that sustainable development can and should take place in all communities. To be successful, our investments must bring the housing market into equilibrium and enable the state to attract new businesses while making strategic land use choices. In order to achieve our housing and community development goals, we rely on our strategic partners to develop projects that enable us to optimize our limited natural and financial resources.

The administration has refined its 10 Principles of Sustainable Development as a way to articulate and describe this vision to our strategic partners and to guide our investment decisions. Projects seeking funding from DHCD's **Community Development Block Grant (CDBG)** programs must be consistent with the Principles of Sustainable Development in the manner described below. A community development project must adhere to Method 1, Method 2 or Method 3.

Method 1

Be consistent with **Concentrate Development and Mix Uses**. Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage reuse and rehabilitation of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open space and homes.

In order to demonstrate consistency with this principle for Method 1, a project must:

- a. Involve the rehabilitation or redevelopment of, or improvements to, vacant or occupied, existing structures or infrastructure; or

b. If new construction, contribute to the revitalization of a town center or neighborhood and/or be walkable to transit; the downtown; a village center; a school; a multiple activity retail, services or employment center; or be located in a municipally-approved growth center.

Method 2

Be consistent with at least five (5) of the Sustainable Development Principles, of which one must be either **Protect Land and Ecosystems** or **Use Natural Resources Wisely**.

Method 3

IF a housing project involving new construction is sited on municipally owned or municipally provided land, involves municipal funding or is supported by a letter from the chief elected official of the municipality at the time of Project Eligibility or an application for funding, only four (4) of the Principles must be met, of which one must be **Concentrate Development and Mix Uses**, **Protect Land and Ecosystems** or **Use Natural Resources Wisely**. See Further Guidance below for examples of ways in which a project can be consistent with **Concentrate Development and Mix Uses** beyond the characteristics used in Method 1.

Further Guidance

Each Principle is listed below with examples of ways projects may demonstrate consistency. Projects need to satisfy only one of the examples, not all those listed; other ways to satisfy the Principles will also be considered.

Concentrate Development and Mix Uses: Support development that is compact, conserves land, integrates uses, and fosters a sense of place. Create walkable districts mixing commercial, civic, cultural, educational and recreational activities with open space and housing for diverse communities.

Examples of ways to demonstrate consistency:

- ☐ The projects creates or supports mixed use.
- ☐ The project rehabilitates or redevelops existing structures or infrastructure.
- ☐ The project involves new construction that contributes to town or center revitalization.
- ☐ The project is at a higher density than the surrounding area.
- ☐ The project mixes uses or adds new uses to an existing neighborhood.
- ☐ The project produces multi-family housing.
- ☐ The project utilizes existing water and/or sewer infrastructure.
- ☐ The project is compact and/or clustered so as to preserve undeveloped land.

Advance Equity: Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

Examples of ways to demonstrate consistency:

- ☐ The project involves a concerted public participation effort (beyond the minimally required public hearing), including the involvement of community members, residents of the development and/or key stakeholders in the planning and design of the project.
- ☐ The project conforms to Universal Design standards and/or incorporates features that allow for "visitability".
- ☐ The project creates affordable housing in a neighborhood or community whose residents are predominantly middle to upper income and/or meets a regional need.
- ☐ The project targets a high-poverty area and makes available affordable homeownership and rental opportunities.
- ☐ The project promotes diversity and social equity and improves the neighborhood.

Make Efficient Decisions: Make regulatory and permitting processes for development clear, transparent, cost-effective, and oriented to encourage smart growth and regional equity.

- ☐ The project involves a streamlined permitting process, such as found in Ch. 40B, 40R or 43D.

Protect Land and Ecosystems: Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

Examples of ways to demonstrate consistency:

- ☐ The project involves the creation or preservation of open space or passive recreational facilities.
- ☐ The project protects sensitive land, including prime agricultural land, and/or resources from development.
- ☐ The project involves environmental remediation or clean up.
- ☐ The project is part of the response to a state or federal mandate (e.g., clean drinking water, drainage).
- ☐ The project eliminates/reduces neighborhood blight.
- ☐ The project addresses a public health and safety risk.
- ☐ The project significantly enhances an existing community or neighborhood by restoring an historic landscape.

Use Natural Resources Wisely: Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

Examples of ways to demonstrate consistency:

- ☐ The project uses alternative technologies for water and/or wastewater treatment that result in land or water conservation.
- ☐ The project uses low impact development (LID) or other innovative techniques for stormwater management that result in land or water conservation.
- ☐ The project repairs or rehabilitates sewer or water infrastructure to conserve resources.

Expand Housing Opportunities: Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes

near jobs, transit, and where services are available. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.

Examples of ways to demonstrate consistency:

- ☐ The project increases the number of rental units available to residents of the Commonwealth, including low- or moderate-income households.
- ☐ The project increases the number of homeownership units available to residents of the Commonwealth, including low- or moderate-income households.
- ☐ The project increases the number of housing options for special needs and disabled populations.
- ☐ The project expands the term of affordability

Provide Transportation Choice: Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.

Examples of ways to demonstrate consistency:

- ☐ The project is walkable to public transportation.
- ☐ The project reduces dependence on private automobiles (e.g., provides previously unavailable shared transportation (such as Zip Car or shuttle buses).
- ☐ The project reduces dependence on automobiles by providing increased pedestrian and bicycle access.
- ☐ For rural areas, the project is located in close proximity (i.e., approximately 1 mile) to a transportation corridor that provides employment centers, retail/commercial centers, civic or cultural destinations.

Increase Job and Business Opportunities: Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

Examples of ways to demonstrate consistency:

- ☐ The project creates or retains permanent jobs.
- ☐ The project creates or retains permanent jobs for low- or moderate-income persons.
- ☐ The project locates jobs near housing, service or transit.
- ☐ The project supports natural resource-based businesses, such as farming, forestry, or aquaculture.
- ☐ The project involves the manufacture of resource-efficient materials, such as recycled or low toxicity materials.
- ☐ The project supports businesses which utilize locally produced resources such as locally harvested wood or agricultural products.

Promote Clean Energy: Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

Examples of ways to demonstrate consistency:

- ☐ The project complies with EPA's Energy Star guidelines or with a similar system.
- ☐ The project uses a renewable energy source, recycled and/or non-/low-toxic materials, exceeds the state energy code, is configured to optimize solar access, and/or otherwise results in waste reduction and conservation of resources.
- ☐ The project reuses or recycles materials from a local or regional industry's waste stream.

Plan Regionally: Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.

Examples of ways to demonstrate consistency:

- ☐ The project is consistent with a municipally supported regional plan that identifies sub region, area or location, and the number and type of housing units or jobs needed.
- ☐ The project addresses at least one of the barriers identified in a regional Analysis of Impediments to Fair Housing.
- ☐ The project has a measurable public benefit beyond the applicant community.

NOTES:

Projects that entirely serve to eliminate a public health or safety risk (e.g., demolition of a blighted structure) are exempt from the Sustainable Development threshold. In addition, CDBG-funded Public Social Service and business assistance for projects not requiring construction are also exempt. Projects seeking funding from the state's community development programs remain subject to the specific programmatic requirements. Similarly, projects proposed under c. 40B are governed by MGL c. 40B Sections 20-23, and applicable regulations, as well as all Fair Housing Laws. Projects should also demonstrate consistency with the Commonwealth's Fair Housing Principles, attached at the end of this document.

Massachusetts Fair Housing Mission Statement and Principles

The mission of DHCD through its programs and partnerships is to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, age, ancestry, familial status, veteran status, or physical or mental impairment.

It shall be our objective to ensure that new and ongoing programs and policies affirmatively advance fair housing, promote equity, and maximize choice. In order to achieve our objective, we shall be guided by the following principles:

1. **Encourage Equity.** Support public and private housing and community investment proposals that promote equality and opportunity for all residents of the Commonwealth. Increase diversity and bridge differences among residents regardless of race, disability, social, economic, educational, or cultural background, and provide integrated social, educational, and recreational experiences.
2. **Be Affirmative.** Direct resources to promote the goals of fair housing. Educate all housing partners of their responsibilities under the law and how to meet this important state and federal mandate.
3. **Promote Housing Choice.** Create quality affordable housing opportunities that are geographically and architecturally accessible to all residents of the commonwealth. Establish policies and mechanisms to ensure fair housing practices in all aspects of marketing.
4. **Enhance Mobility.** Enable all residents to make informed choices about the range of communities in which to live. Target high-poverty areas and provide information and assistance to residents with respect to availability of affordable homeownership and rental opportunities throughout Massachusetts and how to access them.
5. **Promote Greater Opportunity.** Utilize resources to stimulate private investment that will create diverse communities that are positive, desirable destinations. Foster neighborhoods that will improve the quality of life for existing residents. Make each community a place where any resident could choose to live, regardless of income.
6. **Reduce Concentrations of Poverty.** Ensure an equitable geographic distribution of housing and community development resources. Coordinate allocation of housing resources with employment opportunities, as well as availability of public transportation and services.
7. **Preserve and Produce Affordable Housing Choices.** Encourage and support rehabilitation of existing affordable housing while ensuring that investment in new housing promotes diversity, and economic, educational, and social opportunity. Make housing preservation and production investments that will create a path to social and economic mobility.
8. **Balance Housing Needs.** Coordinate the allocation of resources to address local and regional housing need, as identified by state and community stakeholders. Ensure that affordable housing preservation and production initiatives and investment of other housing resources promote diversity and social equity and improve neighborhoods while limiting displacement of current residents.
9. **Measure Outcomes.** Collect and analyze data on households throughout the housing delivery system, including the number of applicants and households served. Utilize data to assess the fair housing impact of housing policies and their effect over time, and to guide future housing development policies.
10. **Rigorously Enforce All Fair Housing and Anti-Discrimination Laws and Policies.** Direct resources only to projects that adhere to the spirit, intent, and letter of applicable fair housing laws, civil rights laws, disability laws, and architectural accessibility laws. Ensure that policies allow resources to be invested only in projects that are wholly compliant with such laws

Appendix E: Action Plan Certifications

The certifications for HOME, CDBG, ESG and HOPWA begin on the following page.

Application for Federal Assistance SF-424

Version 02

***1. Type of Submission:**

- ☐ Preapplication
☒ Application
☐ Changed/Corrected Application

***2. Type of Application**

- ☒ New
☐ Continuation
☐ Revision

* If Revision, select appropriate letter(s)

*Other (Specify) _____

3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

*5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

*a. Legal Name: Commonwealth of Massachusetts

*b. Employer/Taxpayer Identification Number (EIN/TIN):
99-9089540

*c. Organizational DUNS:
824-848-162

d. Address:

*Street 1: 100 Cambridge St.
Street 2: Suite 300
*City: Boston
County: Suffolk
*State: MA
Province: _____
*Country: United States
*Zip / Postal Code 02114

e. Organizational Unit:

Department Name:
Department of Housing and Community Development

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Mr. *First Name: Mark
Middle Name: _____
*Last Name: Siegenthaler
Suffix: _____

Title: Director, Community Development Unit

Organizational Affiliation:
Department of Housing and Community Development

*Telephone Number: 617-573-1426

Fax Number: 617-573-1460

*Email: mark.siegenthaler@state.ma.us

Application for Federal Assistance SF-424

Version 02

***9. Type of Applicant 1: Select Applicant Type:**

A.State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

***10 Name of Federal Agency:**

US Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

CFDA Title:

CDBG: 14.228 HOME: 14.239 ESG: 14.231 HOPWA: 14.241

***12 Funding Opportunity Number:**

*Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Commonwealth of Massachusetts

***15. Descriptive Title of Applicant's Project:**

HUD Community Planning and Development 2008 One-Year Action Plan for the Commonwealth of Massachusetts' CDBG, HOME, ESG and HOPWA programs.

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

*a. Applicant: MA – 009

*b. Program/Project: MA – all

17. Proposed Project:

*a. Start Date:

*b. End Date:

18. Estimated Funding (\$):

*a. Federal	49,772,666
*b. Applicant	
*c. State	
*d. Local	
*e. Other	
*f. Program Income	
*g. TOTAL	49,772,666

*19. Is Application Subject to Review By State Under Executive Order 12372 Process?

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on _____
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☒ c. Program is not covered by E. O. 12372

*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)

☐ Yes ☒ No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

Authorized Representative:

Prefix: _____ *First Name: Tina _____

Middle Name: _____

*Last Name: Brooks _____

Suffix: _____

*Title: Undersecretary

*Telephone Number: 617-573-1100

Fax Number: 617-573-1120

* Email: tina.brooks@state.ma.us

*Signature of Authorized Representative:

Tina Brooks

*Date Signed: 2/13/08

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant

officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 — It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Tim Brooks

Signature/Authorized Official

2/13/08

Date

Undersecretary

Title

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 200_, ___, and ___. (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. **Special Assessments.** The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.

Tina Brooks
Signature/Authorized Official

2/13/08
Date

Undersecretary
Title

Specific HOME Certifications

The State certifies that:

Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.

Tina Brooks 2/13/08
Signature/Authorized Official Date

Undersecretary
Title



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Transitional Assistance
600 Washington Street • Boston MA 02111

DEVAL L. PATRICK
Governor

TIMOTHY P. MURRAY
Lieutenant Governor

JUDYANN BIGBY, M.D.
Secretary

JULIA E. KEHOE
Commissioner

ESG Certifications

The State seeking funds under the Emergency Shelter Program (ESG) certifies that it will ensure that its recipients of ESG funds comply with the following requirements:

Major rehabilitation/conversion -- In the case of major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the rehabilitation is not major, the recipient will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services and Operating Costs -- Where the assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal, State, local, and private assistance for such individuals.

Matching Funds -- It will obtain matching amounts required under 24 CFR 576.51 and 42 USC 11375, including a description of the sources and amounts of such supplemental funds, as provided by the State, units of general local government or nonprofit organizations.

Confidentiality -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted through this program, and in providing services for occupants of such facilities.

Consolidated Plan -- It is following a current HUD-approved Consolidated Plan or CHAS.

Discharge Policy -- It has established a policy for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

HMIS -- It will comply with HUD's standards for participation in a local Homeless Management Information System and the collection and reporting of client-level information.

Signature: _____

Authorized Official: _____

Title: _____

Julia E. Kehoe
Commissioner

Date: _____

2/11/08

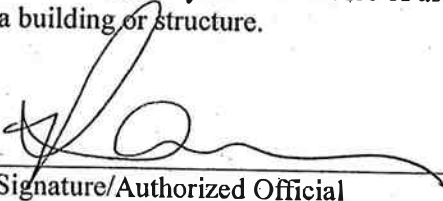
HOPWA Certifications

The State HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.



Signature/Authorized Official

2/1/08
Date

DEPUTY DIRECTOR, HIV/AIDS BUREAU
Title

MA Dept of Public Health
250 Washington Street 3rd Floor
Boston, MA 02108

Appendix F: Methodology

The FY 2008 Action Plan is substantially based on the objectives and strategies identified in the 2005 – 2009 Consolidated Plan (“five year plan”) submitted to the U.S. Department of Housing and Urban Development (HUD) in April 2005. Representatives from each of the four covered programs reviewed and updated the information from the five year plan to ensure that the FY 2008 Action Plan reflects any and all changes that have occurred during the past year. In addition, a variety of state agencies, quasi-governmental bodies and other organizations contributed to the completion of the FY 2008 Action Plan by reporting on the funding levels and program activities for both new and ongoing initiatives.